CITY OF RIVER FALLS WISCONSIN
UTILITY ADVISORY BOARD AGENDA
CITY HALL – COUNCIL CHAMBERS
November 17, 2014

Call Meeting to Order: 6:30 p.m.
Roll Call
Approval of Minutes: October 20, 2014

ACTION MAY BE TAKEN ON ANY OF THE FOLLOWING ITEMS

PUBLIC COMMENTS:

CONSENT AGENDA:

1. Acknowledgement of the following minutes:
    a. POWERful Choices! – October 11
    b. West Central Wisconsin Biosolids Facility Commission – September 15

RESOLUTION:

2. Reallocation of Renewable Energy Finance Program Funds

REPORTS:

3. Finance Report with Utility Dashboard
4. Monthly Utility Report

ANNOUNCEMENTS:

5. No Utility Advisory Board Meeting in December

ADJOURNMENT:

Post: 11-7-2014

REGULAR MEETING
RIVER FALLS UTILITY ADVISORY BOARD
October 20, 2014 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: Randy Czaplewski, Wayne Beebe, Diane Odeen, Grant Hanson, Duane Pederson, and Adam Myszewski. Staff present: Kevin Westhuis, Utility Director; Kristi Hartmon, Administrative Assistant; Tom Johnson, Wastewater Treatment Plant Supervisor, Scot Simpson, City Administrator and Julie Bergstrom, Finance Director. Other present: Bill Chang, Mark Lundgren and Dave Greve from MSA Professional Services, Inc.

M/S Beebe / Odeen to approve minutes of the September 15, 2014 Regular Meeting. Motion Carried.

CONSENT AGENDA:

1. Acknowledgement of the following minutes:
    a. POWERful Choices! – 9/11/14
    b. West Central Wisconsin Biosolids Facility Commission Meeting – 8/19/2014

M/S Pederson/Myszewski to approve Consent Agenda. Motion Carried.

NEW BUSINESS:

2. Waste Water Treatment Plant (WWTP) Renovation Options - Presentation by MSA Professional Services. Utility Director welcomed and introduced Bill Chang, Mark Lundgren and Dave Greve from MSA Professional Services, Inc. RFMU hired this very competent group to do engineering services for the WWTP and options on how we should move ahead with the WWTP renovations and come up with options that will work not only in the short term but long term as well.

    Dave Greve from MSA Professional Services gave the presentation on their recommendations for improvements for the River Falls WWTP. Efforts were made over the last several months identifying the priority needs. The current treatment plant has a design capacity of about 1.8 MGD (million gallons per day) with currently treating of 1.2 MGD. There are no issues with the capacity of the facility, but a number of issues based on the age of the facility and site design outdated and inefficiencies. The WWTP last went through a significant upgrade in 2004. Another consultant (SHE) did a recent review of the WWTP and five areas of concern were identified as priorities for facility upgrades due to ongoing operational concerns. They were influent screening, influent pumping (prone to plugging because screen is downstream of the pumps), oxidation ditch (age and old technology), return activated sludge (RS) pumping (aged and prone to plugging) and sludge storage / solids handling. The influent pump stations location is close to the bank of the river and long steep driveway to access lift stations. Greve stated it was determined that installing screens upstream of the influent pumping station would be cost prohibitive due to the steep slopes that limit access to the influent pumping station, the costly rock excavation form improving the access road, and its proximity to the river. The city has done a great job at repurposing structures and cutting costs over the years and making new uses of old structures. MSA

Professionals stated the priority needs are the influent screening and influent pumps, sludge storage and handling and plan for future flows and facilities.

MSA did spend time upfront looking at population projections comparing projections that were developed in 2004. Looked at what a more realistic projection for population would be for today, then projected those in waste water flows and projected biosolid productions so they could look at sizing and recommended improvements. Greve showed a map of what the treatment plant might look like in the future, a vision of dividing the plant up in three segments; headwork's, liquid treatment and solids treatment.

During MSA's review of the plant, it was observed some unsafe working conditions, confined space that the work/maintenance was being done, existing surface aerators were unsafe and unreliable and current biosolids storage freezing.

MSA Professional Services put together / identified four options for influent screening and pumping options and estimated construction costs.
Option 1 - $526,000: Vertical Screen in influent pump station, improve access road, new standards centrifugal pumps.
Option 2 - $488,000: Vertical screen in influent pump station, open screenings access in top of building, new standards centrifugal pumps
Options 3 - $662,000: Two separate vertical screens at manholes on the plant's two main lines, building structures and improve access to the sites, new standards centrifugal pumps.
Option 4 - $374,000: Perforated plate drum screen in existing influent screening station, new recessed cutter impeller influent pumps. Looked at existing infrastructure – do have existing screen in the headworks building and it is made to drop in 2nd screen in the already available space. Looked at a perforated drum screen that is more efficient and because the screen would be downstream of the pumps, looked at different style of recessed cutter impeller influent pumps to recessed cutter blade that would help chop solids up and prevent pumps from plugging.

MSA Engineering's recommendation is Option 4. It has the lowest construction cost, no difficult site work, it utilizes existing infrastructure, best access for screenings removal, least disruption to plant operations and provides improved safety and ease of operation. This option will be done in a phased approach. Replace influent pumps with cutter impeller style pump ($106,000), replace return active sludge (RAS) pumps (by annual budget), add new influent screen ($268,000) installed in second channel adjacent to the current screen. The plant operators recently replaced one of the four influent pumps with a modern designed pump that is equipped with a cutter impeller, which has greatly reduced pump plugging. It is recommended that the remaining three influent pumps be replaced with the same cutter pumps to address the influent pump plugging problems. Odeen asked what the new style of pumps life expectancy would be. The pump itself will have the same life as a conventional style would have, but the cutter may need replacement more frequently (approximately 5 years) because it has a cutting blade.

Sludge Handling and Storage. For the solids storage and handling, MSA analyzed three alternatives.

Alternative 1 – Use the existing DAF Technology for sludge thickening and build two new thickened solids storage tanks and a thickened solids pump station. Would be constructed

within the existing sludge storage tank (old oxidation ditch) structure. The disadvantages are it does not provide for a centralized solids handling area, and the thickened solids pump station would be located on the potential site of a future (third) oxidation ditch. This option also includes keeping the DAF unit in its existing building, which does not address safety and maintenance problems.

Alternative 2 – This second alternative is similar to the first, but with the addition of a new building that would house the relocated DAF unit at the site of the new solids storage tanks, west of the existing clarifiers. A pump station would be provided to pump water from the DAF process to the headwork of the treatment plant. This would eliminate the need for the thickened solids pumping station. This alternative also addresses the safety concerns with the current DAF location. The existing building containing the DAF unit would be available for other uses, perhaps to store the new Vactor truck that the City plans to purchase in the future. Based on a 20-year present worth cost analysis, this alternative is the most expensive of the three.

Alternative 3 – New thickening process, new thickening process building, new sludge storage. This third alternative is to centralize the solids handling and storage next to the existing clarifiers and replace the DAF unit with a new solids thickening process. In the cost evaluation, a new gravity belt thickener (GBT) was assumed to replace the DAF unit. This alternative would include a new concrete tank structure with a total volume of 330,000 gallons, with dividing walls to create storage volume for waste activated sludge, thickened sludge, and centrate returned from the regional biosolids facility. The structure would also include a below-grade pump room and an above-grade solids thickening room. A pump station would be provided to pump water from the GBT process to the headwork of the treatment plant. The new thickening process would provide the benefit of decreasing the volume of sludge for hauling/disposal, resulting in significant cost savings. MSA is recommending this third alternative option. It addresses current solids handling challenges, best for future expansion, reduces hauling expense, lower 20 year cost then alternative two, addresses worker safety and maintenance concerns at DAF unit. This alternative is the recommended approach.

Estimated costs (capital costs) of the three alternatives for biosolids handling improvements.
Alternative 1 – $1,511,000
Alternative 2 – $1,756,000
Alternative 3 – $1,793,000

Odeen asked on the alternative one option for the biosolids, the pipe from the existing daf building to the new storage tank (is it above or below ground) Greve stated it would be a buried pipe to transfer the thickened sludge over to the storage tank. Would the buried pipe affect the maintenance cost of this option (frozen pipe). Greve stated the pipe is constructed 7-8 ft of cover to prevent freezing.

Simpson asked for the jet aeration is it your recommendation that it would not be installed before the screening is in place, correct? Greve responded the cutter blade on the impeller would take care of a good deal of that, but you are right you tend to get that wrap-around and that could be an issue. The jet aeration is proposed to be part of the aerating and mixing the sludge storage tanks. Ideally you would get new screen in so you would not have that material in the sludge at all. Simpson stated that none of these alternatives use the existing sludge storage tank, correct. The existing sludge storage tank (a long oval shape) would be

vacant; it either opens it up for future use or demolish it and use that space for your new oxidation ditch in the future. Simpson asked is it your professional recommendation to not try to retrofit this, put a balloon roof on it, use it for new aeration and storage. Greve agreed because it has a shallow depth and the shape of the structure, it would be difficult, most of these are moving to a square or rectangle shape.

Msyzewski asked to expand on the alternative 3 option's $2,000 Polymer cost. Dan explained the Gravity Belt thickener technology requires the additional polymer to conglomerate the sludge particles and bring them together and then they move over a traveling belt and the water falls through the belt and is filtered through the belt and the solids that are trapped on top of the belt fall off the end of the unit. Westhuis stated we are currently producing 2.5 percent solids right now and the proposal is to bring it to 4.5 percent solids.

Dan stated that it is recommended that the Utility Advisory Board consider authorizing the improvements to the screening, influent pumping, RAS pumping, and solids handling/storage facilities as he described in his presentation and memo. The influent screen and pump upgrades would be undertaken by the treatment plant staff, with some assistance from MSA. MSA will develop a detailed scope of services and proposed contract for design and construction-related services associated with the new solids handling and storage facilities. Westhuis stated the folks at the plant and the engineers are on the same page and have worked close together. MSA would like to carry that through in the design phase.

Odeen stated she would like to hear from Tom Johnson to see if he has anything to add and what his experiences through this process were. Johnson responded, he has asked all the same questions that were asked tonight like retrofitting our old stuff, why can't we make this fit, he asked all the questions. When he started seeing prices for retrofitting, the recommendations made by MSA makes the most sense. The ditch we have right now, the aerators we have right now cannot handle it (the solids are settling) and can't keep it mixed up enough. The DAF system is very unsafe. The gravity thickener will handle more flow, as the sludge increases than the DAF. Solids handling now and in the future is a good investment. Johnson stated he will continue to work closely with MSA and continue to ask the questions.

Westhuis commented that the price tag of this project falls in the scope of our budget. It was originally spread out over 4-5 years and now this will be am 18 month project. Bergstrom, stated we could handle this a few ways; the wastewater fund has cash on hand or we borrow or look at impact fees for part of that, nothing has been determined at this time. Hanson asked if we make this capital investment of $1,793,000 how many years might we expect that we might not have to do further capital investments. Westhuis stated that SHE's recommendations also summarized in MSA's memo, listed the five things we needed to do and this takes care of 4 of them. The oxidation ditches not a high priority right now. Simpson added that the capital investments at the wastewater treatment plant will be ongoing, replacing pumps, processes, etc. As far as major construction for the future, this gives us a decade, but we will continue to have major investments in the plant now and in the future.

Odeen moved that we accept the recommendations from MSA Professional Services as outlined in the memo and powerpoint presentation. Myszewski seconded, motion passed.

REPORTS:

3. Finance Report with Utility Dashboard was included in the packets for review. Bergstrom went over report and stated electric and wastewater is looking good. water is having some issues and Bergstrom went over before the meeting the anticipated revenues that will be coming in for water for the rest of the year water will need some analysis and will be meeting with Utility Director, Westhuis this week to address. The revenues will be under budget for this year and we will cut back on expenses for the rest of the year.

4. **Monthly Report**.
    a. Utility Director Westhuis stated that the Monthly Report is included in the UAB packets and to let him know if you have any questions. Hanson asked where we are at with the conversion of the LED Street Lights. Seeing in reports changing out 20 lights with 5 of those to LED's. Some of our larger lights we cannot get in LED or are very expensive. We are in process and may take a more aggressive approach in LED change outs. Retrofit LED's and new fixtures in Veterans Park are being done. LED Light rebate ending this year, so we will be pre-ordering to take advantage of those rebates. Odeen asked when the construction of the Solar Garden will begin. Westhuis responded that WPPI is working on negotiations with contractors and energy cost and energy sale back to utility and we are hoping to break ground spring of 2015. Beebe asked Tom Johnson about the not so great September 22nd week at the plant. A 6" bearing failed in the oxidation ditch. Johnson reported that the bearing was changed out and a spare was ordered. Johnson stated we always have one spare on hand. The DAF is in bad condition. Johnson had three staff working on it and it is now repaired and they are checking it daily. Johnson stated that it is good timing to have MSA Professional working on a plan to help with these problems. Hanson asked about the Frac Sand Mining movie the staff had the opportunity to view and if there is any Frac Sand Mining happening in the River Falls area. Westhuis and Simpson stated that they were not aware of any activity in the River Falls area and stated River Falls is not a good candidate for FRAC sanding as far as they know.

Kevin announced that Randy Czapleski will be moving out of the City (a few miles out and no longer in the service area) and will no longer be serving on the Utility Advisory Board. Utility Director Westhuis presented Czapleski with a plaque thanking him for his service with the Utility Advisory Board.

ADJOURNMENT:

M/S Czapleski/Beebe moved to adjourn at 7:43 p.m. Unanimous.

Reported by: Kristi Hartmon, Administrative Assistant

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Wayne Beebe, Secretary
October 20th

MINUTES
October 11, 2014
City Hall
12:00 p.m. – 1:00 p.m.

Committee members and guests present: Mike Noreen (RFMU), Kristi Hartmon (RFMU), Mike Huth (RF City Comm. Dev.), Greg Koehler (RFMU), Scot Simpson (City of River Falls), Don Richards (Citizen), Diego Nunes (UWRF), Weston Arndt (WPPI Energy), John Thompson (SCV-Habitat) Susan Capparelli (SCV-Habitat), Dave Engstrom (SCV-Habitat), Jim Cooper (Habitat), Al Bohl (Focus on Energy), Steve Sandeen (River Falls Area Hospital), Art Tobin (RFSD), Matt Fitzgerald (UWRF), Lauren Kaminski (RFSD),

Huth moved and Koehler seconded minutes of the 9/11/14 Committee Meeting. Motion Carried.

Kristi Hartmon let committee members know RFMU is celebrating Public Power Week (October 6-10). It is celebrated nationwide letting community know of the importance of public power. Treats were available all week in the City Hall Lobby, purchased from local businesses.

1. Climate Resilience Conference – Mike Noreen, Mike Huth and Greg Koehler attended the Climate Resilience Conference and shared their experiences. They learned success stories of other cities, how they responded and recovered from drastic events (the importance of having a plan). How does a City plan for it, it is their responsibility to be prepared for it. Noreen added we need to focus on what is happening now (temperatures getting hotter, dew points getting higher, storms are bigger). This is what is happening and we need to be prepared.
2. Growing Sustainable Communities Conference – Mike Noreen attended this conference and shared some of his thoughts. Noreen stated River Falls is good, but not great; there is more we can do. Mike shared bigger items that stood out to him. There are three factors (environmental, social and economic) that play into sustainability. Climate change and impact on health. Social justice – income eligible programs. Are we addressing the needs of folks that may be most affected? Place making – older buildings or parks, define a city. Utilize some of these things was a big part of sustainability. Promote sustainability within City. Trying to attract green businesses to the City, revitalizing some of the building and businesses that are already here.
    a. Noreen added with POWERful Choices we've been successful in our community. Mike asked committee members to contact people they know. We are trying to improve

sustainability in our city. Invite them to meetings. Business cards will be available at the next meeting with information on POWERful Choices to give to people who might be interested on coming to meetings.

b. Noreen asked committee members to jot down ideas on how RFMU/POWERful Choices can help partner with them to make our City more sustainable. Ideas were shared:

   i. Social Justice – Community groups in different parts of the City. There are many areas in town that don't have relationships with their neighbors (groups in neighborhoods to check on people).

   ii. Community Education – Offering greening your home class (tips and information)

3. Focus on Energy 3rd Quarter Update – Wes Arndt stated there are dollars available for the rest of 2014 (3 months left in the year). Focus on Energy discontinued the program, but is allowing RFMU to finish out the year. RFMU has had great success and has utilized the multifamily direct install program.

4. Prairie Restoration – Mike Huth, Management Analyst is working on a 6 year plan for the Prairie Restoration. City Hall (redoing ground cover adding color, round-a-bout by Wasson Lane (same treatment as City Hall) a more traditional prairie setting with easy maintenance and great esthetics.

5. Other Items of Interest

   a. Jim Cooper – article published in Midwest Energy News on Eco Village (Habitat homes aim for net-zero with energy-monitoring tools).

   b. Restore is doing great. Grand opening was on October 18th. The store has the same hours as New Richmond. Lots of donations coming in and sales are picking up. They take anything for donations and partner with other thrift stores in town.

   c. Community Ed – working on next catalog and stated if anyone has class ideas to let Lauren Kaminski know. Classes run mid-January through April and the catalog is mailed early December.

   d. RFSD –Staring an energy committee and need community involvement. Facility going through some growing pains - using facility more. High School is 95% inefficient compared to its peers. Why is school running classes/events in several buildings on the same night? Designate one building for the events. Why running T12 bulbs? There are a lot of things that can be done to build on better future

Meeting minutes were taken by Kristi Hartmon.

WEST CENTRAL WISCONSIN BIOSOLIDS FACILITY
COMMISSION MEETING
Sept 15 2014

The meeting was called to order by President Gary Newton at 8:30 a.m.

Members Present: Gary Newton, Greg Engeset, John Bond, Kevin Westhuis and Dennis Holtz

Others Present: Randy Lindquist, Tom Johnson and Chris Moarn

Consent Agenda: **M/S Dennis/John to approve the August bills totaling $159,999.99 passed. M/S Greg/Kevin to approve the minutes from the August meeting passed**

Financial Report: Randy handed out the monthly financial report that showed the following; Total revenues of $186,867.43, Total operating expenses $55,133.90 ,Total maintenance cost $2,058.46 , Total administrative cost $$183.34 , Total transportation cost $43,893.19 , Net operating income $85,598.54 , Total debt service $ 47,018.42 , and a Net Operating Income $38,580.12
M/S John/Kevin to approve August financial report passed

Facility Report: Randy reported that the ferric chloride pumps have been replaced and are working good, Ph meter was replaced, the vibrator for the lime silo was installed and is now working(Randy will get a price to do the same on the next silo),the Centrysis is running after some maintenance costing $7,062.21, the bank conversion is almost complete, Randy got some information from Medica that the premiums will be going up (no firm numbers at this point), Randy will be replacing 4 – 6inch valves in the basement that do not work very well if at all(Randy will get a cost of new valves and a cost to rebuild them).

Bluteq Dryer: Chris talked about how he is rebuilding the dryer; he is now going to install a drum and still use infrared as a heat source to dry biosolids. He hopes to have the dryer installed and running in October, this will be a batch feed system.

Long Range Planning: This will be tabled until the next meeting

Annual Meeting Agenda: Kevin is checking into the River Falls Country Club as a host site for the annual meeting, the meal will be catered. Randy has left a message for the initial facility engineer as a possible main speaker.

2015 Draft Budget: Randy handed out the proposed 2015 budget and discussion followed. Items needed to make an accurate budget are lime costs, insurance increases and polymer costs. Randy hopes to have these items for the next meeting to firm up the proposed budget.

M/S John/Dennis to adjourn at 10 a.m. passed

Dennis Holtz
Secretary

MEMORANDUM

TO: Utility Advisory Board

FROM: Mike Noreen, Conservation and Efficiency Coordinator

DATE: November 12, 2014

TITLE: **Reallocation of Renewable Energy Finance Program Funds**

INTRODUCTION

This memorandum is to provide a justification for the reallocation of funds from the Renewable Energy Finance Program Loan Fund.

DISCUSSION

History

POWERful Choices! developed a program called the Renewable Energy Finance Program in 2009 to help residential customers purchase and install renewable energy at their home. A resolution was approved and allocated funding for the program. The Renewable Energy Finance Program, although beneficial, has not had the expected customer demand.

Proposed Reallocation Plan

City staff recommends reallocation of the Renewable Energy Finance Program Loan Fund so a broader customer base would benefit. The existing allocation is divided out into the following projects:

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000

Proposed Reallocation of Renewable Energy Finance Program Fund

Electric General Fund • Remaining funds return to electric fund	$201,000
Large Customer Grant Program • Energy efficiency grants for renewable energy purchases	$75,000
Pre-pay Meter Pilot Program • Innovation in residential metering	$50,000
Renewable Energy Finance Program • Expand to Commercial, Industrial and non-profits	$50,000
Forward Foundation • Create an endowment for excellence in local education	$50,000
Solar LED Street lighting Pilot Program • Install Solar LED street lighting in targeted locations	$25,000
Total Reallocation	**$451,000**

RECOMMENDATION

Approve resolution for the reallocation of the Renewable Energy Finance Program Funds.

RESOLUTION NO. 2014-08

RESOLUTION RECOMMENDING
REALLOCATION OF RENEWABLE ENERGY FINANCE PROGRAM
LOAN FUNDS

WHEREAS, the Renewable Energy Finance Program Loan fund was developed by the POWERful Choices! Committee, approved by the Utility Commission and the Common Council of the City of River Falls; and

WHEREAS, the purpose of the loan fund is to financially assist customers of the River Falls Municipal Utility with the cost of purchasing and installing qualified renewable energy systems and efficiency improvements to their properties; and

WHEREAS, the demand for program loan funds has been low thus resulting in an opportunity to reallocate a portion of the allocated funds to meet additional program objectives; and

WHEREAS, the reallocation of funding will provide flexibility to staff to utilize the fund allocation to advance clean energy initiatives within the City of River Falls.

NOW, THEREFORE, BE IT RESOLVED that the City of River Falls Utility Advisory Board requests Common Council approve the reallocation of the Renewable Energy Finance Program Loan Fund.

Dated this 17th day of November, 2014.

_____
Grant Hanson, President

Attest:

_____
Lu Ann Hecht, City Clerk

Reallocation of Renewable Energy Finance Program Funds

November 17, 2014

POWERFUL CHOICES

a sustainable energy project for river falls

City of RIVER FALLS

Existing Fund Balance in November 2014

$451,000

Program and fund established in 2009 to help residential customers purchase and install renewable energy on their homes

Existing Renewable Energy Finance Program Fund Balance as of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	$50,000
Forward Foundation	$50,000
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

Reallocation to Electric Fund

$201,000

Remaining funds return to electric fund

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	**$201,000**
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	$50,000
Forward Foundation	$50,000
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

Large Customer Energy Efficiency Grant

$75,000

Energy efficiency grants for industrial renewable energy purchases

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	**$75,000**
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	$50,000
Forward Foundation	$50,000
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

Pre-pay Metering Pilot Program

$50,000

Innovation in residential metering

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	**$50,000**
Renewable Energy Finance Program	$50,000
Forward Foundation	$50,000
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

Renewable Energy Finance Program

$50,000

Program expanded to commercial, industrial and non-profits

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	**$50,000**
Forward Foundation	$50,000
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

Forward Foundation

$50,000

Educational endowment supporting excellence and innovation in the local schools

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	$50,000
Forward Foundation	**$50,000**
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

Solar LED Street lighting Pilot

$25,000

Solar LED lighting exploration

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	$50,000
Forward Foundation	$50,000
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Total Reallocation	**$451,000**

Questions?

Existing Renewable Energy Finance Program Fund Balance As of November 2014	$451,000
Proposed Reallocation of Renewable Energy Finance Program Fund	
Electric General Fund	$201,000
Large Customer Grant Program	$75,000
Pre-pay Meter Pilot Program	$50,000
Renewable Energy Finance Program	$50,000
Forward Foundation	$50,000
Solar LED Street lighting Pilot Program	$25,000
Total Reallocation	**$451,000**

November 12, 2014

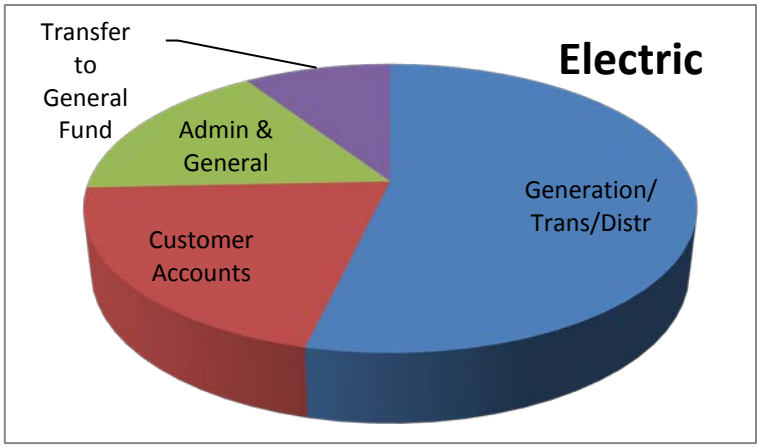
To: Utility Advisory Board

From: Tracy Biederman, Accountant

Re: September 2014 Interim Financial Statement Highlights

Electric fund: Year-to-date operating revenues are $10.277 million; an increase of $42,000 over last year. September's year-to-date Kilowatt sales are 90,034,000; an accumulated increase of 1.531 million kW over last year. Year-to-date Kilowatt purchases are 90,509,800 and hydro generation of 1,144,900 kW.

Operating expenses have increased $157,900 in 2014 compared to 2013. Purchase Power is 83% of total operating expenses exclusive of depreciation and payments in lieu of taxes. The graph depicts the allocation of remaining operating expenses.



Year-to-date net income is $721,300; a decrease of $112,200 over prior year to date. The rate of return is 7.90% for the nine months' reporting period.

Water fund: Year-to-date operating revenues are $1,146,200; a decrease of $19,800 compared to 2013 revenues. The utility has recorded 280.193 million metered gallons sold year-to-date; this is a reduction of 21.776 million gallons over the 2013 consumption history with irrigation sales down 16.298 million gallons in the month of September 2014 versus September 2013.

Operating expenses have increased $93,900 in 2014 versus 2013 over the nine month reporting period. Total expenditures are 74.9% of annual expense budget.

The year-to-date net loss is $4,680.

Sewer fund: Year-to-date operating revenues are $2,371,900; a decrease of $35,200.

Operating expenses have increased $160,200 in the operation, maintenance, BioSolids, and customer service. Year-to-date overview includes an increase to plant utilities of $12,600, plus the $23,400 in plant equipment repairs to the lower end mixer and circulating pumps, $21,000 in sewer cleaning and televising, and the additional $38,000 for Lametti televising.

Year-to-date net income is $687,300. The utility has a 4.77% rate of return for the nine months' reporting period.

The utilities would like to include supplementary financial measures on a bi-annual basis in addition to the annual performance ratios that are provided in the budget package.

As a first step, we have taken the following data from the annual financial statements and current year-to-date June 30, 2014 financials to start the bi-annual reporting of the organization that will aid in identifying strengths or possible weaknesses.

The first measure is the **Operating Ratio**. This financial ratio measures the portion of revenue applied to operating expenses. A smaller ratio identifies the organization's ability to generate profit if revenues decline. It is important to note the largest variable expense is the Purchased Power within the Electric Utility.

A second measure is the **Net Take-Down** (more commonly known as profit margin in private industry). This ratio measures how much of every dollar of sales is kept in earnings. The higher the costs to operate business without the capability to increase revenues will lower this margin. Variable costs that are not predictable will have a greater impact and will lower this measure.

The final measure is the **Debt Ratio**. Using this ratio will measure how much of a company's assets could be claimed by liabilities. Lower values of assets to liabilities are favorable.

ELECTRIC FUND

Performance Measures	2012	2013	2014 YTD as of 6/30/2014
Operating Ratio (Expenses/Revenues)	91.8%	90.7%	91.7%
Net Take-Down (Net Income/Gross Revenue)	7.9%	9.1%	8.1%
Debt Ratio (Liabilities/Assets)	13.0%	11.2%	9.6%
Total Number of Customers	6,218	6,168	6,208

WATER FUND

Performance Measures	2012	2013	2014 YTD as of 6/30/2014
Operating Ratio (Expenses/Revenues)	68.7%	79.2%	85.2%
Net Take-Down (Net Income/Gross Revenue)	31.2%	20.8%	14.8%
Debt Ratio (Liabilities/Assets)	18.8%	16.5%	15.4%
Total Number of Customers	4,913	5,016	5,055

SEWER FUND

Performance Measures	2012	2013	2014 YTD as of 6/30/2014
Operating Ratio (Expenses/Revenues)	67.6%	67.5%	68.1%
Net Take-Down (Net Income/Gross Revenue)	32.1%	32.2%	31.8%
Debt Ratio (Liabilities/Assets)	39.1%	34.5%	30.9%
Total Number of Customers	4,349	4,442	4,458

River Falls Municipal Utilities
For the Nine Months Ending Septemer 30, 2014

ELECTRIC UTILITY

	Current Month 2014	*Current Month 2013*	*Variance*	*Year To Date 2014*	*Year To Date 2013*	*Variance*	*Annual Budget*	*% of Annual Budget*	*Remaining Budget*
Sales of Electricity	$ 1,180,562	$ 1,285,360	$ (104,798)	10,054,635	$ 9,967,906	$ 86,729	$ 12,948,768	77.65%	$ 2,894,133
Other Operating Revenues	19,849	20,793	(944)	222,782	267,447	(44,665)	274,457	81.17%	51,675
Total Operating Revenues	**1,200,411**	**1,306,152**	**(105,741)**	**10,277,417**	**10,235,353**	**42,063**	**13,223,225**	**77.72%**	**2,945,808**
Generation Expenses	2,501	3,156	(655)	27,280	29,529	(2,249)	54,739	49.84%	27,459
Purchased Power Expenses	801,600	843,274	(41,674)	7,367,745	7,235,218	132,526	9,846,200	74.83%	2,478,455
Transmission Expenses	46	9	37	43,815	6,168	37,648	87,091	50.31%	43,276
Distribution Expenses	65,211	48,903	16,308	712,651	584,934	127,717	703,479	101.30%	(9,172)
Customer Accounts/Sales Expenses	40,202	30,444	9,758	300,533	225,474	75,059	300,521	100.00%	(12)
Administrative & General Expenses	25,937	46,563	(20,626)	239,671	413,566	(173,895)	705,133	33.99%	465,462
Depreciation Expenses	61,106	70,956	(9,850)	549,954	602,549	(52,595)	787,485	69.84%	237,531
Transfer to General Fund	15,005	9,018	5,987	135,048	81,164	53,884			(135,048)
Taxes		5,193	(5,193)	8,218	54,178	(45,960)	95,641	8.59%	87,423
PILOT (Taxes)	34,545	33,560	985	307,881	302,039	5,842	402,800	76.44%	94,919
Total Operating Expenses	**1,046,153**	**1,091,075**	**(44,922)**	**9,692,796**	**9,534,819**	**157,977**	**12,983,089**	**74.66%**	**3,290,293**
Net Operating Income	154,258	215,077	(60,820)	584,621	700,534	(115,914)	240,136	162.17%	(344,485)
Non-Operating Income	19,286	13,986	5,300	259,152	30,389	228,763	54,500	475.51%	(204,652)
Less: Non-Operating Expenses	(33,306)	(13,517)	(19,789)	(122,427)	(123,059)	632	(375,780)	32.58%	(253,353)
Net Income (Loss)	**$ 140,238**	**$ 242,581**	**$ (35,731)**	**$ 721,346**	**$ 853,982**	**$ 112,217**	**$ 670,416**	**107.60%**	**$ (295,783)**

YTD Rate of Return as of September 30, 2014	7.90%	8,834,961.65	0.83

WATER UTILITY

	Current Month 2014	*Current Month 2013*	*Variance*	*Year To Date 2014*	*Year To Date 2013*	*Variance*	*Annual Budget*	*% of Annual Budget*	*Remaining Budget*
Sales of Water	$ 126,266	$ 155,821	$ (29,555)	$ 1,035,014	$ 1,073,426	$ (38,412)	$ 1,407,865	73.52%	$ 372,851
Other Operating Revenues	13,168	14,346	(1,179)	111,225	92,639	18,586	128,925	86.27%	17,700
Total Operating Revenues	**139,433**	**170,167**	**(30,734)**	**1,146,239**	**1,166,065**	**(19,826)**	**1,536,790**	**74.59%**	**390,551**
Pumping Expenses	11,710	10,390	1,320	116,142	125,614	(9,472)	154,689	75.08%	38,547
Water Treatment Expenses	13,374	1,945	11,429	56,930	45,294	11,636	80,941	70.33%	24,011
Transmission & Distribution Expenses	26,387	28,591	(2,204)	262,870	177,814	85,056	283,334	92.78%	20,464
Customer Accounts/Sales Expenses	12,504	7,030	5,474	70,117	49,478	20,639	68,148	102.89%	(1,969)
Administrative & General Expenses	11,450	13,354	(1,904)	98,286	135,145	(36,859)	309,071	31.80%	210,785
Depreciation Expenses	31,546	34,008	(2,462)	283,913	253,499	30,414	321,364	88.35%	37,451
Transfer to General Fund	5,558	5,099	459	50,020	45,893	4,127			(50,020)
Taxes		622	(622)	-	5,587	(5,587)	26,896	0.00%	26,896
PILOT (Taxes)	26,711	27,441	(730)	240,935	246,968	(6,033)	330,000	73.01%	89,065
Total Operating Expenses	**139,239**	**128,480**	**10,759**	**1,179,212**	**1,085,292**	**93,919**	**1,574,443**	**74.90%**	**395,231**
Net Operating Income	195	41,688	(41,493)	(32,973)	80,773	(113,746)	(37,653)	25.00%	(4,680)
Non-Operating Income	21,353	7,342	14,011	84,763	60,059	24,705	25,981	12.00%	(58,782)
Less: Non-Operating Expenses	6,096	6,825	(729)	56,475	63,469	(6,994)	48,525	27.09%	(7,950)
Net Income (Loss)	**$ 15,451**	**$ 42,205**	**$ (26,754)**	**$ (4,685)**	**$ 77,362**	**$ (82,047)**	**$ (60,197)**	**7.78%**	**$ (55,512)**

YTD Rate of Return as of September 30, 2014	<0 %

River Falls Municipal Utilities
For the Nine Months Ending Septemer 30, 2014

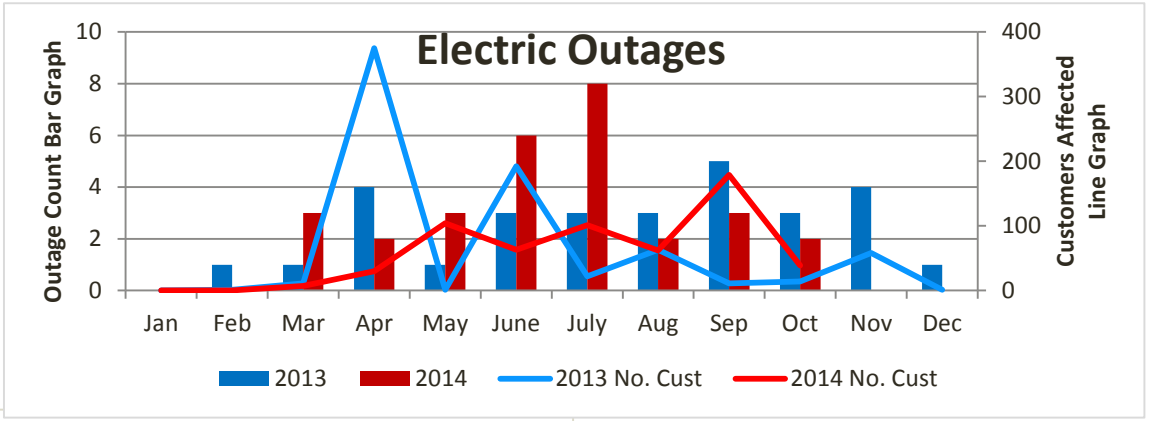
	Current Month 2014	*Current Month 2013*	*Variance*	*Year To Date 2014*	*Year To Date 2013*	*Variance*	*Annual Budget*	*% of Annual Budget*	*Remaining Budget*
SEWER UTILITY									
Sewer Revenues	$ 281,584	$ 311,871	$ (30,287)	$ 2,335,415	$ 2,370,856	$ (35,440)	$ 3,158,977	73.93%	$ 823,562
Other Operating Revenues	4,457	3,381	1,075	36,550	36,318	$ 232	34,923	104.66%	(1,627)
Operating Revenues	**286,041**	**315,253**	**(29,212)**	**2,371,965**	**2,407,174**	**(35,208)**	**3,193,900**	**23.62%**	**821,935**
Operation Expenses	37,915	29,441	8,474	318,226	261,270	56,956	436,877	72.84%	118,651
Maintenance Expenses	17,254	17,776	(521)	231,451	173,739	57,712	408,656	56.64%	177,205
Biosolid Expenses	33,247	32,740	507	295,398	273,909	21,489	363,200	81.33%	67,802
Customer Accounts/Sales Expenses	24,143	17,217	6,926	167,196	142,489	24,707	191,629	87.25%	24,433
Administrative & General Expenses	23,371	20,361	3,010	200,574	199,357	1,217	517,356	38.77%	316,782
Depreciation Expenses	40,764	44,320	(3,556)	366,876	385,260	(18,384)	518,900	70.70%	152,024
Transfer to General Fund	13,148	9,489	3,659	118,328	85,401	32,927			(118,328)
Taxes		1,861	(1,861)	-	16,340	(16,340)	33,965	0.00%	33,965
Total Operating Expenses	**189,842**	**173,204**	**16,637**	**1,698,049**	**1,537,765**	**160,284**	**2,470,583**	**18.60%**	**772,534**
Net Operating Income	96,199	142,048	(45,849)	673,916	869,408	(195,492)	723,317	93.17%	424,917
Non-Operating Income	32,159	14,087	18,072	143,090	130,093	12,997	117,217	122.07%	45,530
Less: Non-Operating Expenses	13,176	16,853	(3,677)	129,690	157,207	(27,516)	191,132	67.85%	61,442
Net Income (Loss)	**$ 115,182**	**$ 139,283**	**$ (24,100)**	**$ 687,315**	**$ 842,295**	**$ (154,980)**	**$ 649,402**	**105.84%**	**$ (37,913)**

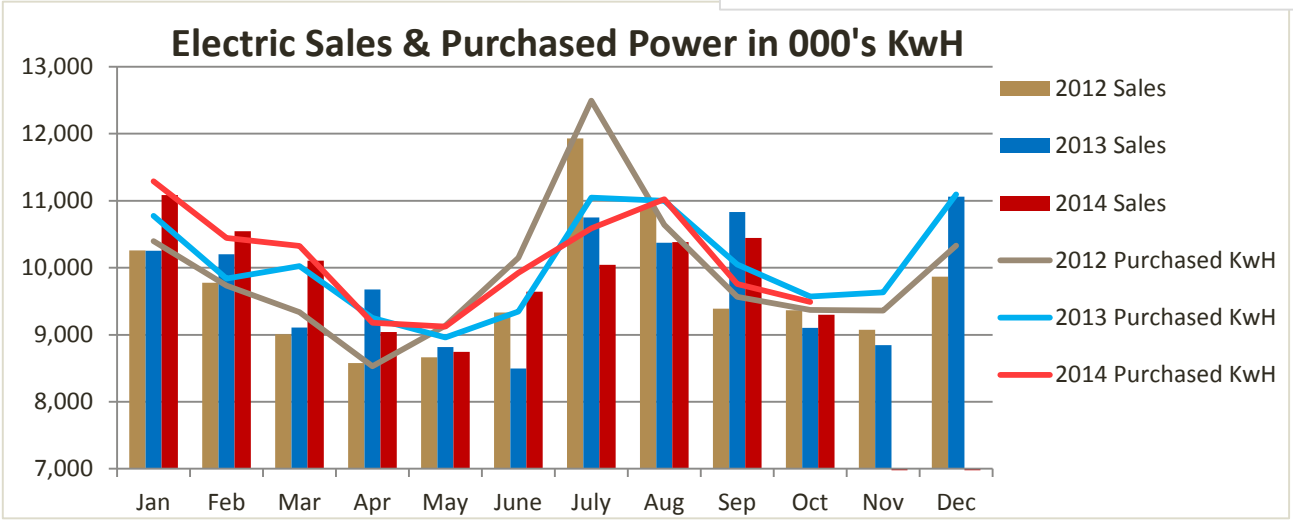
YTD Rate of Return as of September 30, 2014	4.77%

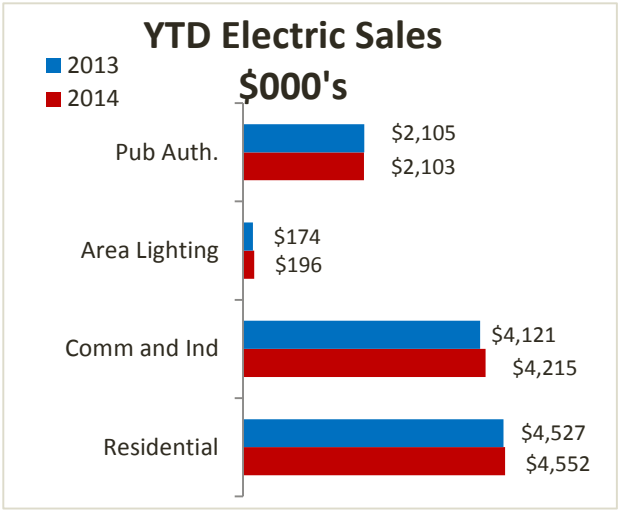
City of River Falls

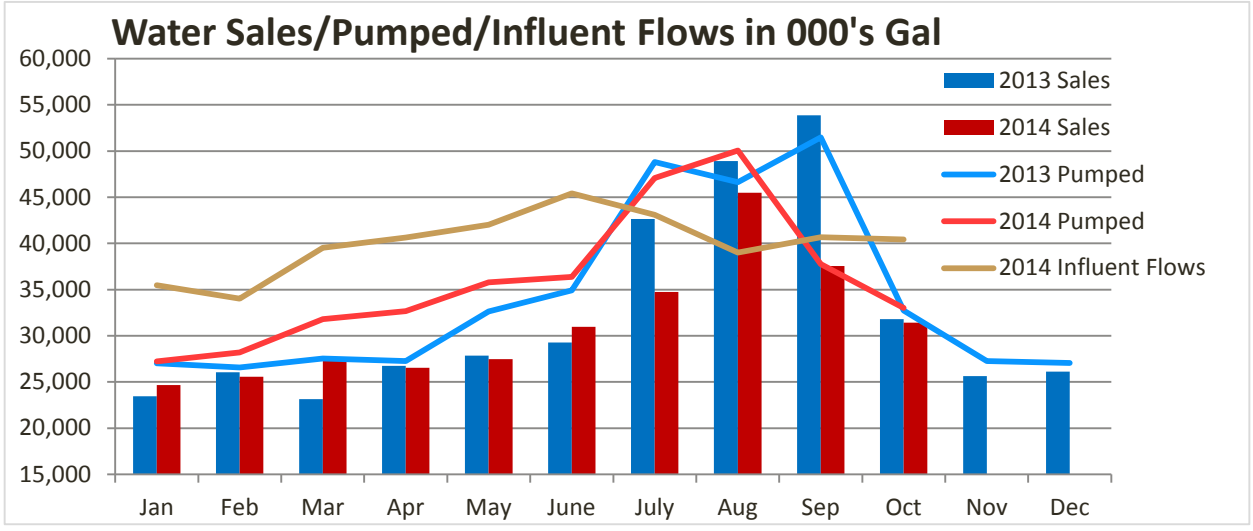
River Falls Municipal Utilities

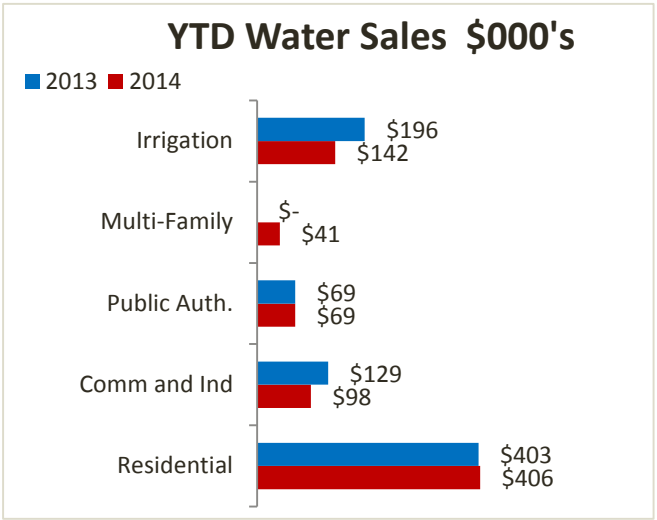
OCTOBER 2014











River Falls Municipal Utilities
Monthly Report

October 2014

ELECTRIC

- Maintenance repairs performed. This is maintenance work found through our required system inspections.
- Substation monthly inspections completed.
- LED street lighting conversion continues. We have replaced (98) 100/150 watt HPS fixtures with the new 53 watt LED. We completed two new street lighting projects where (19) 53 watt LED fixtures were installed and (11) 101 watt LED fixtures were installed. We have also replaced 15 of the decorative Acorn fixtures with new LED fixtures.
- UG Service installs continue weekly.
- Replaced pad mounted switchgear at Wasson and Cemetery. This switch was found inoperable during annual inspections.
- East Johnson Street UG project near completion. Main backbone has been installed. Cabinets, pedestals and transformers have been installed and terminated. The 15 new UG Services have been installed and cutover. Waiting on A T&T to finish their cutover so we may pull old poles.
- Set new pole for service upgrade on Dallas Street.

RIVER FALLS WASTE WATER TREATMENT FACILITY

October 1-12 - Attended a meeting with MSA and staff discussing improvement options for the WWTP upgrading of solids handling and screening. The painting project of the out buildings continues to progress well. Trim, doors, bumper posts, and one more small building is getting painted before the project is ended due to cold weather or part-time help hours used up. Bill S. attended the annual WWOA conference in Green Bay. Tom J was on vacation for the week.

October 13-19 - The VFD drive for number two influent pumps failed and it was determined to be unrepairable, a replacement VFD will be ordered. The failed drive was the oldest and final one that would have needed replacement as part of the influent pumping /screening upgrade. Of the four influent pumps that are part of the upgrade, one is new and does not need replacement, one has significant lower hours on it due to an old pump run sequence programming configuration, this pump will need to be changed out but can be done at a later date (2016-2017). This leaves two pumps that will need to be changed out in the immediate future. There are also two comminutors (grinders) one of which will need to be refurbished. Continue to meet with MSA and narrow down the best upgrade design for increased efficiency, expansion and operation capabilities for the long term future of the plant. Staff attended management and all employee meetings. Test results continue to come in for the WPDES permit renewal application and are nearing completion.

October 20-26 - Tom S. had a roofing repair company inspect and repair some leaks at the plant, (thanks Tom). A cross connection inspector (General Engineering) surveyed the plant and listed the corrective actions needed to meet back flow regulations. Air-gap couplers will be ordered shortly. Staff attended a fire safety training session. Attended the UAB meeting where MSA presented their options and recommendations for the WWTP upgrade project. Westside Elementary fifth grade classes toured the plant on the 23rd and 24th. A soil plug aerator was used to aerate the lawn across the entire plant grounds, winter fertilizer and grass seed will be applied when time permits.

10/27-31/2014 - The exterior accent lighting on the administration building was converted from high pressure sodium to CFL bulbs. The high pressure sodium lights or the ballasts were constantly burning out. Began pumping excess rain water from the spare clarifier and oxidation ditch in preparation for winter. Leaves and debris were removed from the flat roofs at the lower end of the plant. Some brush growing up near the buildings was also cleared away. Finally it appears that the fall changeover is beginning to occur in the oxidation ditches. As the temperature of the water in the ditch decreases the changed environment will favor different groups of facultative bacteria. This changeover causes the current population of bacteria to become less active or die. Until the lower temperature tolerant bacteria can reach a high enough population there can be odors. The paragraph above is the long way to say we are experiencing odors in sludge storage and expect to for a few weeks.

ENGINEERING TECH WORK

- One plan review (South Fork Studios).
- Finish gps work and mapping of Sterling Ponds Corporate Park water and sanitary sewer.
- Attach the Sanitary TV video and reports (for Sterling Ponds Corporate Park) to the mapping system.
- Finish gps work and mapping for UW Falcon Center project.
- Continue electric work order mapping.
- Inspect 9 new home laterals.
- Inspect 5 lateral repairs (2 water & 3 sanitary).
- Inspect and map N. Main St. / Summit St. water main break.
- Find/copy and mail to SEH various data (grading sheets, well information) for the water model.
- Re-do water and sanitary map books to include Sterling Ponds Corporate Park (Convert to pdf's for smart phones).
- Complete "Basics of Python for ArcGIS" web training.

WATER/SEWER

- Periodic meter testing continues.
- Monthly BacT samples all safe.
- Started compound meter testing. These are from our larger customers.
- Took 30 DNR Compliant Lead and Copper samples. Results have been returned. Letters were sent to the 30 different customers who took place in the testing. Results were all favorable.
- Golfview Tower painting has been completed and it is switched back into service.
- Repaired main break at intersection of Main and Summit.
- Contractor service dig in and subsequent repair on North 4th Street.
- Filled, flushed and sampled new water system in Sterling Ponds Corporate Park. Everything passed testing.
- Repaired main break at intersection of Maple and Grove.

CONSERVATION AND EFFICIENCY

- Met with MSA Engineering to ensure Wastewater Treatment Facility upgrades are maximizing energy efficiency and incentive potential.
- Performed energy audit on Designer Doors and following up on recommendations such as demand profiling, dust collection, compressed air and lighting upgrades.
- Facilitated the Leadership River Falls – Natural Resources Day
- Attended Sustainable Communities Conference in Dubuque, IA
    - Presented findings to POWERful Choices!, Green Teams and Planning Commission
- Celebrated Public Power Week
    - Highlighted our renewable energy programs and encouraged public participation in programming and city government
- Submitted Focus on Energy incentives for streetlight purchased in 2015 and 2016.
    - Streetlight incentives end on December 31, 2014
    - Applications submitted and approved in 2014 will ensure incentives are earmarked for 2015 and 2016
- Working with the Wisconsin Water Association and the WI Public Service Commission to reform the existing water loss reporting spreadsheet
- Partnering with Community Development in the Master Park Plan
- Marketed our renewable energy options at the Chamber of Commerce, Community Expo
- Presented at the Landlord Connections - Part 2
    - Efficiency Programs geared specifically to landlords
- Represented the City of River Falls at the UWRF – Sustainability Working Group
- Met with River Falls School District Superintendent and maintenance to help them meet their energy efficiency goals
- Green Teams
    - Brought in LiveRoof representative to educate Green Team on the possibility of installing a green roof on City Hall and as an economic development option

STREET LIGHTS

15 total street lights repaired

September 1, 2014 – September 30, 2014

Move in applications = 187
New Access My Account = 134
Disconnected Services = 31
Reconnected Services = 24

As of 10-23-14 we had a total of 6562 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.