



**CITY OF RIVER FALLS WISCONSIN
UTILITY ADVISORY BOARD
MEETING MINUTES
March 15, 2021**

The meeting was called to order by Utility Advisory Board Chair Patrick Richter at 6:32 p.m.

Utility Advisory Board Present: Patrick Richter, Mark Spafford, Scott Morrisette, Tim Thum, Kellen Wells-Mangold and Matt Berning (came at 6:35pm)

Utility Advisory Board Absent: Kevin Swanson

Staff Present: Utility Director Kevin Westhuis; City Administrator Scot Simpson; Assistant City Administrator Jason Stroud; Assistant to the City Administrator Brandt Johnson; Utility Administrative Assistant Lanae Nelson; Electric Operations Superintendent Wayne Siverling; Wastewater/Water Superintendent Ron Groth; Finance Director/Controller Sarah Karlsson; Senior Accountant Tracy Biederman; Conservation and Efficiency Coordinator/Forester Mike Noreen; WPPI Energy Service Representative Stacie Running and IT Tech Assistant Jon Smits

Approval of Minutes:

Meeting Minutes: 11-17-2020 (workshop) and 11-19-2020 (meeting)

MS Morrisette/Wells-Mangold moved to approve minutes. As there was no further discussion, Richter asked for a vote of the minutes. The minutes passed unanimously.

REPORTS:

UAB Chair Richter changed the agenda order asking for the WPPI Energy Project Updates Report and the Finance RFMU Annual 2020 Report to be at the beginning of the meeting.

WPPI Energy Project Updates Report

Utility Director Westhuis introduced WPPI Energy President and CEO Mike Peters and WPPI Energy Service Representative Stacie Running. Peters gave a WPPI Energy presentation and spoke on the advantages of public power being locally owned with affordable rates and strong reliability. He provided details on the history, mission, member satisfaction, the 2020 budget of WPPI Energy and the pandemic. He reviewed the power supply average wholesale cost to members has been stable and competitive.

Peters discussed the loss of power in Texas from the February 2021 winter storm and the Midcontinent Independent System Operator (MISO) market. WPPI Energy's power supply resources are from owned generation and power purchase agreements. Morrisette and Peters reviewed the forms of energy fuel and the MISO process of power resources. Peter's spoke on WPPI Energy's advocacy relationships and member involvement. He gave a brief overview of NorthStar customer information system that aids in running the electric utilities.

Morrisette and Peters discussed renewable energy requirements with members. Richter thanked Peters and Peters introduced the WPPI Energy staff attending the meeting; Executive Assistant Vicki Hewitt and Member Relations Vice President Lauri Isaacson and Running.

Finance RFMU Annual 2020 Report

Westhuis introduced Senior Accountant Tracy Biederman who gave an overview of the 2020 unaudited utility enterprise fund and financial data report. Biederman discussed the utilities enterprise funds

revenue, expense overview, unaudited accounts receivable, unaudited cash & investments, and the 2020 utilities plant additions. Westhuis reviewed the importance of utility infrastructure and thanked the policy makers for investing in our community.

Biederman further discussed the electric fund review of the 2020 customer segments, electric sales, financial statements, and the approved electric tariff increase effective on September 29. She reviewed the water financial statements, water sales by gallons and revenue by tariff for water usage. The wastewater and storm water financial statements were discussed along with each of their revenues and expenses. Biederman and Morrisette discussed debt services, bond on the new substation, the differences of governmental funds and enterprise funds, and cash collections.

CONSENT AGENDA:

Acknowledgement of the following West Central Wisconsin Biosolids Facility Commission minutes: 10-15-2020 (meeting), 11-17-2020 (annual members meeting), 12-17-2020 (meeting), 01-07-2021 (special meeting) and 01-21-2021 (meeting)

MS Morrisette/Thum moved to approve the West Central Wisconsin Biosolids Facility Commission minutes. As there was no further discussion, Richter asked for a vote of the minutes. The minutes passed unanimously.

NEW BUSINESS:

Resolution No. 2021-01 – Endorse New Economic Development Electric Rate for Qualifying Commercial Customers

Westhuis introduced Conservation and Efficiency Coordinator/Forester Mike Noreen who presented. He reviewed the new economic development electric rates for qualifying commercial customers and asked for a tariff endorsement to the Wisconsin Public Service Commission (PSC). Noreen spoke on requirements, new customer growth, incentive for existing customers to expand, incremental load, the baseline and rate structure. The rate is for four years, the wholesale cost is a pass through, and it will provide commercial electricity at a marginal cost. There are two distribution choices; get construction credit and pay distribution charge or pay for new facilities and pay no distribution charge.

Noreen and Wells-Mangold reviewed the potential interest of business customers. WPPI Energy Director of Rate Tim Ament, Noreen, Thum and Morrisette further discussed new and existing business growth, criteria, impact on energy cost, qualifications for commercial customers and WPPI Energy customers participation. Richter asked Noreen if existing customers could qualify who expanded their business. Yes, they would qualify but it would only be the expansion part of the business. Westhuis, Noreen and Ament discussed further the requirements needed, the opportunities of business customers and the City's community development.

Richter asked for approval of the resolution. As there was no further discussion, Richter asked for a vote by show of hands. MS Spafford/Thum moved to approve the resolution. The resolution passed unanimously 6-0 will all voting in favor.

Resolution No. 2021-02 – Adopting Action Items, Timing, and Financial Scope for Phase One of Powell Falls Dam Decommissioning and FERC License Amendment

Westhuis presented the Federal Energy Regulatory Commission (FERC) hydroelectric relicensing update and the transition from relicensing to decommissioning. He reviewed the history, cost, requested studies, mandated studies, consulting work, and the partnership with the United States Army Corp of Engineers (USACE) cost sharing program. USACE contributed to the FERC required studies and the remainder paid for administration of the project. The contribution was around \$210,000.

He discussed the FERC schedule from 2018 to the present, the June 2020 flood, the drawdown of Lake Louise in October 2020 and the flood damage review. The options and cost were discussed of the sediment repairs to or not re-fill Lake Louise. Five options were reviewed at the January Council and UAB workshop. Option 3 is being presented from staff to keep the lake drawdown, fix the gate, pull the

turbine, and have TRC Solutions give an amendment of Powell Falls dam removal to be moved from FERC to the WI DNR. The FERC non-capacity license amendment of TRC Solutions consulting cost is \$29,000. The 2021 construction permit applications of Ayres Associates consulting are \$39,562. The decommissioning construction consultant is to be determined and the cost range is \$200,000 - \$500,000. These costs were all originally anticipated in the previous scope of work timeline projected between 2023-2026.

Westhuis reviewed the potential Ayres Associates 2021 construction activities: the permit applications for sediment management and license amendment request, the construct access route and road build to the tailrace, the sediment management in tailrace, the turbine removal, the trash rack cleaning and the minor repair on west wing wall.

TRC Senior Consultant Lesley Brotkowski, Westhuis, Morrissette and Spafford discussed the sediment removal, scope of construction work of an access route and building road to the tailrace.

Westhuis reviewed the next steps are: relicensing that is within the budget and spending around \$700,000, the early process of decommissioning but the dam will not come out until 2025/2026, the removal of Powell Falls from the original FERC License and the WI DNR will be the governing agency, the 2021 activities may include turbine removal, trash rack cleaning, minor wing wall repair, road build, sediment removal and other minor activities, the “planned activities” moved up and the hydroelectric production is about \$600,000 in avoided costs in 2018 to 2023.

Westhuis, Morrissette and Spafford reviewed rain fall and the river flow. Spafford discussed the January workshop and his concerns of cost for this before he would vote yes. Westhuis spoke on the available WI DNR grant that is around \$400,000 and the KCC’s commitment of paying half of the decommissioning plan which would be \$60,000 (the total is \$120,000). Morrissette addressed processes of committee and council meetings, cost, and funding. Wells-Mangold expressed concerns for rate payers, partnership, and funding sources.

City Administrator Simpson, Spafford and Wells-Mangold reviewed the obligation of the expenses of the utility. Simpson clarified the relicensing cost is an expense whether we continue to operate the hydros or not. The community discussions involved this topic of would it be more expensive to fully re-license. The default for funding is the electric utility and the UAB has a fiduciary responsibility to guide the council. There is no general property tax levy used but it could be incurred through the electric utility, Lake George rehabilitee district, fundraising, state, and federal grants. He further discussed rates and fundraising.

As there was no further discussion, Richter asked for a vote. MS Thum/Wells-Mangold moved to approve the resolution. The roll call vote passed 5-1 with Berning, Morrissette, Richter, Thum, and Wells-Mangold in favor and Spafford opposed.

Resolution No. 2021-03 – Recommending Award for 2021-2023 Directional Boring Contract

Westhuis introduced Electric Operations Superintendent Wayne Siverling presented the 2021-2023 professional boring services bid project information from the Kramer Service Group, TD & I Cable Maintenance, Inc., Ellingson Trenchless DBA ECI Contracting, Q3 Contracting, Inc. and A-1 Excavating Inc. Siverling provided background on the project and the City locations.

The CIP electrical projects have been budgeted \$125,000 for each consecutive year for a total of \$375,000. The Kramer Service Group’s directional boring bid proposal is \$117,299 that encompasses all three years of work for the electrical and fiber optics directional boring projects.

Morrissette, Westhuis and Siverling reviewed the location boundaries and route of the contract.

Richter asked for approval of the resolution. As there was no further discussion, Richter asked for a vote. MS Morrissette/Spafford moved to approve the resolution. The resolution passed unanimously.

REPORTS:

COVID-19 UW-Madison Wastewater Study Participation Report

Utility Director Westhuis introduced Wastewater/Water Superintendent Ron Groth who gave an update overview of the COVID-19 UW-Madison Wastewater Study. Groth discussed the concentration, monitoring and the data process of COVID-19 in the Wisconsin Wastewater.

Morrisette and Groth discussed the frequency of the testing from the start of the study to the present.

Utility Dashboards

The 2021 February utility dashboards were included in the UAB packet for review.


Monthly Report

The 2021 February month utility reports were included in the UAB packet for review.

ADJOURNMENT:

UAB Chair Richter adjourned the meeting at 9:30 p.m.

Reported by: Utility Administrative Assistant Lanae Nelson

A handwritten signature in black ink, appearing to read "Lanae Nelson", is written over a horizontal line.

Lanae Nelson, Utility Administrative Assistant