

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
MAY 26, 2015

The Municipal Utilities Commission met in its regular meeting on Tuesday, May 26, 2015 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Matt Schrupp, Dan Holtz, Jeff Nagel, Joe Gimse, Justin Mattern, and Abdirizak (Zack) Mahboub. Absent was Commissioner Carol Laumer.

Others present at the meeting were: General Manager Wesley Hompe, Director of Operations John Harren, Director of Finance Tim Hunstad, Staff Electrical Engineer Jeron Smith, Power Production Supervisor Jon Folkedahl, Customer Service Supervisor Stacy Stien, Administrative Secretary Beth Mattheisen, Line Foreman Todd Graves and Linemen Jordan Stulen, Dylan Berg & Ryan Kobliska, City Attorney Robert Scott (via teleconference), City Councilman Jim Dokken, David Turch & Chase Kroll, and West Central Tribune Journalist David Little.

Due to the absence of Commission Secretary Laumer, President Schrupp opened the meeting by appointing Commissioner Gimse to serve as Acting Secretary. Following the appointment, President Schrupp requested the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Gimse offered a resolution to approve the Consent Agenda as presented. Commissioner Holtz seconded.

RESOLUTION NO. 24

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Consent Agenda be approved as presented which includes:

- ❖ Minutes from the May 11, 2015 Commission meeting; and,
- ❖ Bills represented by vouchers No. 143265 to No. 143372 inclusive in the amount of \$2,498,739.37 with a MISO payment in the amount of \$10,270.42.

Dated this 26th day of May, 2015.

President

ATTEST:

Acting Secretary

The foregoing resolution was adopted by a vote of five ayes, zero nays, and one abstaining (Commissioner Schrupp).

David Turch and Chase Kroll of the government relations firm David Turch and Associates (DTA) from Washington, DC, were in attendance to present the Commission with updates on a number of legislative issues facing the WMU and the electric industry. Topics of interest discussed included EPA regulations, rail bypass, municipal bonds, and various grants/funding options that may be available to WMU for future projects. DTA recapped a listing of previous funding requests submitted by WMU for past projects along with federal legislative activities which coincide with WMU’s participation in the annual APPA Legislative Conference (these conferences are extremely important in presenting the needs and concerns of WMU to Federal

and State Legislators). Commissioner Schrupp extended his appreciation to both David and Chase for their continued efforts and support in dealing with legislative matters concerning the interests of WMU.

At this time, a brief video (created by MMUA) summarizing the annual APPA Lineworkers Rodeo was viewed. WMU Line Foreman Todd Graves along with Linemen Jordan Stulen, Dylan Berg and Ryan Kobliska participated in the 2015 APPA Lineworkers Rodeo on May 15-17 in Sacramento, CA. They expressed their appreciation to the Commission for allowing them the opportunity to attend and participate in the event. It was also noted that in 2016 the annual Lineworkers Rodeo will be held in Shakopee (Canterbury Downs area). WMU personnel anticipate assisting to make this a memorable event for all participants and their families.

Director of Finance presented the Commission with the following Utility-related reports for review and discussion. These informational reports and analyses included:

1. January and February 2015 Financial Statements
2. February 28, 2015 Investment Review
3. March 2015 Power Supply Report (presented on behalf of Power Supply Manager Chris Carlson)

General Manager Hompe opened discussion with the Commission on the need to establish a Distributed Generation Rate to its current rate listing. This new rate would be required as a result of new and existing interconnections established between a utility (WMU) and a qualifying facility (i.e. solar power interconnections). Staff Electrical Engineer Smith walked the Commission through a number Minnesota State requirements associated with the interconnection qualifications needed to calculate the rate including: 1) MN Statute § 216B.164 "Rules and Uniform Contract"; 2) MN Rule 7835.3300 "Net Energy Billing Rate"; and, 3) MN Rule 7835.0100 Subp. 2a "Average Retail Utility Energy Rate". Director of Operations Harren continued by presenting a timetable and explanation of the process involved in establishing the Distributed Generation Rate. Using WMU's electric rates for 2015, the calculated rate would be \$0.1003 (average retail utility energy rate). It was also the recommendation of Staff to add a Residential Net Service Rate (Code 7) to the existing electric rates. Following discussion, Commissioner Nagel offered a resolution to schedule a public hearing to discuss and review the proposed Distributed Generation Rate for June 22, 2015 at 11:50 a.m. Commissioner Holtz seconded.

RESOLUTION NO. 25

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that a public hearing will be conducted on June 22, 2015, at 11:50 a.m. in the WMU Auditorium, to discuss and approve the inclusion of a Distributed Generation Rate to the existing electric rate schedule."

Dated this 26th day of May, 2015.

President

ATTEST:

Acting Secretary

The foregoing resolution was adopted by a vote of six ayes and zero nays.

As stated in the WMU Reliability Standards/Annual Reliability Performance Report, if there is any major service interruption affecting 500 or more customers for one or more hours, a report of the incident will

be given to the Municipal Utilities Commission. Director of Operations Harren discussed with the Commission a recent power outage which occurred on May 13th beginning at 1:56 p.m. Feeder #3 reclosed and locked out causing 1,250 customers to lose power on Willmar's north side. By 2:24 p.m., WMU Line Crews were able to restore the power between the railroad tracks and the fairgrounds as well as 15th Avenue NW (898 customers). Further inspection traced the problem to an underground line east of Eagle Creek Golf Course. This line was isolated and the remaining 352 customers had power restored by 3:01 p.m. A review of the incident including the restoration process was reviewed. The total customer outage time calculation was 800.7 hours.

General Manager Hompe informed the Commission of the winning entry submitted this year for the Tom Bovitz Memorial Scholarship sponsored by the Willmar Municipal Utilities and MMUA. Applicants are required to submit a 500-750 word essay entitled "*Municipal Utilities – Good for All of Us*". Participation in this program helps to increase awareness of public power while giving back to the community it serves. The entries are submitted by Willmar High School Seniors who reside in the City of Willmar. The first place entry and winner of a \$750 scholarship is Sydney Fischer. The scholarship award was presented by Commissioner Laumer on May 22nd at the WHS Cap & Gown Day ceremony.

General Manager Hompe presented the Commission with an update on the status of the Payment In Lieu of Taxes (PILOT) Agreement with the City of Willmar. Through continued discussions between General Manager Hompe, Director of Finance Hunstad and City representatives, the PILOT Agreement for 2015 has been finalized (over \$2 million). This agreement was based on the calculating practice used in previous years. A new three-year agreement is being created which would use a different process of calculating the payment. This methodology would be based on kilowatts usage rather than net worth which would bring the payment more in alignment with the actual load growth (kilowatts) rather than previously established percentages of net worth. Finalization of the new three-year agreement is anticipated by this summer.

General Manager Hompe informed the Commission that Lead Electric Meter Mechanic Gary Krueger will be retiring on May 29th. Gary has been a valuable member of the Meter Department for nearly 40 years beginning his employment with WMU in 1975. Gary was recognized for his years of service and dedication to the Utilities. Congratulations & best wishes, Gary!

General Manager Hompe reminded the Commissioners of upcoming meetings/events to note. These include:

- APPA National Conference (Minneapolis) - June 5-10
- MMUA Annual Summer Conference (Breezy Point) - August 17-19,

There being no further business to come before the Commission, Commissioner Mattern made a motion to adjourn the meeting. Commissioner Holtz seconded the motion, and the meeting was adjourned at 12:58 p.m. by a vote of six ayes and zero nays

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Joe Gimse, Acting Secretary