

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
JUNE 8, 2015

The Municipal Utilities Commission met in its regular meeting on Monday, June 8, 2015 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Dan Holtz, Jeff Nagel, Joe Gimse, and Justin Mattern. Absent were Commissioners Matt Schrupp, Carol Laumer, and Abdirizak Mahboub.

Others present at the meeting were: Director of Finance Tim Hunstad, Power Production Supervisor Jon Folkedahl, Customer Service Supervisor Stacy Stien, Administrative Secretary Beth Mattheisen, Water & Heating Supervisor Joel Braegleman, Staff Electrical Engineer Jeron Smith, City Attorney Steve Nyhus (via teleconference), West Central Tribune Journalists David Little & Jacob Belgum, Kristian Nyberg, and Erik Hatlestad.

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

RESOLUTION NO. 25

“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 26, 2015 Commission meeting; and,
- ❖ Bills represented by vouchers No. 143433 to No. 143492 inclusive in the amount of \$595,433.22.

Dated this 8th day of June, 2015.

Vice President

ATTEST:

Acting Secretary

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

At 11:50 a.m., Commissioner Holtz next proceeded to call to order the public hearing to discuss the proposed Residential Net Energy Service Rate (electric). In attendance to express their public concerns/opinions regarding the proposed rate were: 1) Kristian Nyberg of CURE (Montevideo); and, 2) Erik Hatlestad of MN Public Interest Research Group (MPIRG). The gentlemen each expressed their concerns that the proper statutes and regulations are followed regarding fixed rates and charges associated with the proposed electric rate. Director of Finance Hunstad confirmed that all Minnesota state statutes and regulations were being adhered to with no additional fixed charge being applied to the rate.

With no further comment from the public, Commissioner Holtz closed the public hearing at 11:57 a.m.

Following the close of the public hearing, the Commission continued to further discuss the need to establish the proposed electric rate. State statutes requires municipal utilities to use a uniform statewide contract for all interconnections with qualifying facilities that have the capacity to produce less than 40 kilowatts of energy (i.e. solar and wind powered facilities). When the energy generated by the qualifying facility exceeds that supplied by WMU during a billing period, WMU would compensate the qualifying facility for the excess energy at the average retail utility energy rate. Staff was requesting the Commission to approve this rate at 10.03 cents per kilowatt hour. Following approval by the Commission, the proposed rate would be presented to the City Finance Committee today at their 4:45 p.m. meeting. The recommendation of the Finance Committee would then be forwarded on to the City Council (June 15th meeting) for consideration. The City Council would subsequently schedule a public hearing (July 6th) to consider authorization, through an ordinance, the proposed Residential Net Energy Service Rate. Following further discussion, Commissioner Gimse offered a resolution to approve the proposed Residential Net Energy Service Rate at 10.03 cents per kilowatt hour beginning in July 2015 (tentatively). Commissioner Nagel seconded.

RESOLUTION NO. 26

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

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

1. March 2015 Financial Statements
2. April 30, 2015 Investment Review

Water & Heating Supervisor Braegelman informed the Commission of the need to submit a request to the Minnesota Dept. of Health for a variance to reduce the amount of fluoride concentration in Willmar's water supply system. This variance will allow the fluoride concentration to be reduced to an average of 0.7 milligrams per liter (current level is approximately 0.12). This new guideline was modified by the US Dept. of Health & Human Service (HHS) and the Center for Disease Control & Prevention (CDC). The updated HHS and CDC recommendation was based on balancing the benefits of preventing tooth decay while limiting any potential negative health effects of high fluoride consumption (specifically teeth discoloration). This was for information only.

Director of Finance Hunstad requested input from the Commissioners to narrow down possible dates to conduct a Strategic Planning Session. It was the consensus of the Commission, to target Saturdays in July for possible consideration (excluding July 4th). Once the date, time and location have been confirmed, notices will be forward to all attendees.

Director of Finance Hunstad reminded the Commissioners of a number of upcoming meetings/events to note. These include:

- City Finance Committee Meeting – June 8 (today) @ 4:45 p.m.
- APPA National Conference (Minneapolis) – June 5-10
- WMU Labor Committee Meeting – June 22 @ 1:00 p.m.
- 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 Gimse seconded the motion, and the meeting was adjourned at 12:15 p.m. by a vote of four ayes and zero nays

Respectfully Submitted,
WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Joe Gimse, Acting Secretary

RESOLUTION NO. 26

BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the rates for Residential Net Energy Service Rate be set as follows:

Section 1. ELECTRIC RATES

Residential Net Energy Service Rate

The rate is available to any small qualifying facility (SQF) of less than 40kw capacity that offsets energy delivered by the Electric Department:

<u>Energy Charge</u>	
All KWH	\$0.1003

BE IT FURTHER RESOLVED that this resolution be forwarded to the City Council of the City of Willmar with a recommendation to approve an ordinance authorizing the above rates.

Dated this 8th day of June, 2015.

Vice President

ATTEST:

Acting Secretary