

**WILLMAR MUNICIPAL UTILITIES MINUTES**  
**MUNICIPAL UTILITIES AUDITORIUM**  
**OCTOBER 13, 2015**

The Municipal Utilities Commission met in its regular meeting on Tuesday, October 13, 2015 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Matt Schrupp, Dan Holtz, Carol Laumer, Jeff Nagel, Joe Gimse, and Justin Mattern. Absent was Commissioner Abdirizak Mahboub.

Others present at the meeting were: General Manager Wesley Hompe, Director of Operations John Harren, Director of Finance Tim Hunstad, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Power Production Supervisor Jon Folkedahl, Administrative Secretary Beth Mattheisen, Power Resources Analyst Michelle Marotzke, City Attorney Robert Scott (via teleconference), and Mayor Marv Calvin.

President Schrupp opened the meeting by requesting a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Laumer offered a resolution to approve the Consent Agenda as presented. Commissioner Mattern seconded.

**RESOLUTION NO. 42**

“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 September 28, 2015 Commission meeting; and,
- ❖ Bills represented by vouchers No. 144326 to No. 144397 inclusive in the amount of \$183,226.03 with a MISO credit in the amount of \$26,232.36, and a Westmoreland Resources (coal) payment in the amount of \$82,546.62.

Dated this 13<sup>th</sup> day of October, 2015.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

Commissioner Mattern (Chair) reviewed with the Commission the minutes of the September 29<sup>th</sup> WMU Planning Committee meeting (see attached). The first agenda item was the continuation of discussion regarding local generation options. Following the 2015 Strategic Planning Session, the Commission had instructed Staff to compile additional data regarding the generation options, including the future direction of the district heating system. The second item of discussion focused on a review of the 2010 Long-Range Facilities Study conducted by GLTArchitects. Future funding options, establishing a timeline for completion of the project, and the forming of a citizens-outreach committee were among the topics discussed. Following discussion, Commissioner Nagel offered a motion to approve the minutes of the September 29<sup>th</sup> WMU Planning Committee meeting as

presented. Commissioner Mattern seconded the motion which carried by a vote of six ayes and zero nays.

At this time, Power Supply Manager Carlson presented the Commission with a chronological recap of the power supply and transmission activities for the years 2008-2016 (PowerPoint presentation). This timeline summary illustrated the path leading to WMU becoming a full MISO Transmission Owner (TO) which goes into effect January 1, 2016. WMU formulated the power supply and transmission strategy with the term of the current Great River Energy (GRE) contract (30 megawatts of energy) scheduled to expire at midnight on December 31, 2015. Goals were established to mitigate risk and have stable rates for WMU's customer-owners. Carlson noted that WMU is fortunate to have a diverse power supply portfolio that utilizes various fuel sources including coal, nuclear, wind, diesel, and hydro. While work still remains to complete the total transition to become a full TO in the MISO arena, great strides have been accomplished (i.e. new GRE power supply contract) to further the goal of transmission revenue neutrality (investing in transmission). Following the presentation by Carlson, the Commission expressed their appreciation for the thorough depiction of the process involved in becoming a TO.

In conjunction with the power supply and transmission activity recap, General Manager Hompe was requesting the Commission to authorize WMU to join the MISO Load Service Entity (LSE) Coalition at Customized Energy Solutions (CES). Based on our internal analysis of similar businesses that provide this service, CES can provide comprehensive reporting on all meetings and matters concerning the MISO market and transmission issues. The CES annual fee will be equally divided between the Coalition members (currently 19 members). Each member's monthly fee will be \$1,473 with a \$20,000 member cap per contract year. (Additions or termination of members would affect each member's monthly fee.) It was noted that this monthly fee would be subject to inclusion in the Attachment O agreement for transmission reimbursement. Following discussion, Commissioner Holtz offered a resolution to approve the agreement with Customized Energy Solution to provide consulting services to WMU as a member of the MISO LSE Coalition. Commissioner Laumer seconded.

#### **RESOLUTION NO. 43**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Professional Services Agreement and the 2015 MISO Coalition Task Order 2015-0928 with Customized Energy Solutions to join the MISO LSE Coalition be approved at the current monthly rate of \$1,473 per member (currently nineteen members)."

Dated this 13<sup>th</sup> day of October, 2015.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

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

1. July 2015 Financial Statements & Report (Director of Finance Hunstad)
2. July 31, 2015 Investment Report (Director of Finance Hunstad)
3. September 2015 Wind Turbine Report (Power Production Supervisor Folkedahl)
4. July 2015 Power Supply Report (Power Supply Manager Carlson)

Customer Service Supervisor Stien reviewed with the Commission the current efforts being utilized to collect unpaid utility bills. These avenues include the MN Recapture Program, Advantage Collection Agency, and the lien process. While efforts continue to collect these unpaid utility bills, Stien was requesting the Commission to approve a resolution requesting that the Willmar City Council place liens on properties for their unpaid utility bills. Stien noted that the grand total for the seven requested property liens was in the amount of \$4,013.79. Mayor Calvin informed the Commission that there may be additional fees (new charges) associated with the issuing of the property liens. Following discussion, Commissioner Holtz offered a resolution to request the Willmar City Council place liens on these properties for unpaid utility bills. Commissioner Laumer seconded.

**RESOLUTION NO. 44**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Municipal Utilities Commission requests that the City Council place liens on the following properties for non-payment of utility bills:

Account	Address	Amount
17767001	1308 6th St SW	\$ 1,827.21
27760001	523 4 <sup>th</sup> St SE	\$ 711.56
29965002	1105 7 <sup>th</sup> St SW	\$ 167.50
27356001	1200 5 <sup>th</sup> St SW	\$ 144.72
17082001	1019 Gorton Ave NW	\$ 182.17
24358001	920 4 <sup>th</sup> St SW	\$ 560.45
16046003	613 Ann St SE	\$ 420.18
	<b>TOTAL</b>	<b>\$ 4,013.79</b>

Dated this 13<sup>th</sup> day of October, 2015.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

General Manager Hompe along with Customer Service Supervisor Stein presented the Commission with a recap of the recent Customer Appreciation Open House held on October 6<sup>th</sup> at the Willmar Civic Center. The annual event is held in conjunction with APPA’s Public Power Week. Once again,

the Open House was a huge success with nearly 1,400 customers attending. On behalf of the Commission, Commissioner Schrupp expressed his appreciation to Staff and Commissioners for their involvement in the event. Eight lucky WMU customers were drawn to receive \$50 credits on their utility bills. They were: Jay Lawton, Stephanie Salinas, Gene Edberg, Anna Stiles, Bill Paterson, Larry Stulen, Amy Lange, and Janel Schuenke. Congratulations to all!

General Manager Hompe informed the Commission of the newest addition to join the WMU Staff. Ed Zurn has filled the position of Boiler Operator in our Power Production Division. We're pleased to have Ed join the WMU team!

General Manager Hompe presented the Commissioners with a number of upcoming meetings/events to note. These include:

- 2016 APPA Events:
  - Legislative Rally – March 7-9 (Washington, DC)
  - Lineworker Rodeo – April 1-2 (Shakopee, MN)
  - National Conference – June 10-15 (Phoenix, AZ)

There being no further business to come before the Commission, Commissioner Nagel made a motion to adjourn the meeting. Commissioner Mattern seconded the motion, and the meeting was adjourned at 12:45 p.m. by a vote of six ayes and zero nays

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

---

Beth Mattheisen  
Administrative Secretary

ATTEST:

---

Carol Laumer, Secretary



**WILLMAR MUNICIPAL UTILITIES**  
**WMU PLANNING COMMITTEE MEETING MINUTES**  
**SEPTEMBER 29, 2015 - 11:30 A.M.**  
**WMU CONFERENCE ROOM**

Present: Commissioners Justin Mattern, Jeff Nagel & Abdirizak Mahboub, General Manager Wesley Hompe, Director of Finance Tim Hunstad, Director of Operations John Harren, Facilities & Stores Supervisor Kevin Marti, Water & Heating Supervisor Joel Braegelman, and Power Plant Supervisor Jon Folkedahl.

The first order of business would be to establish the Chair for the WMU Planning Committee. Commissioner Nagel offered a motion to appoint Commissioner Mattern to serve as Chair for the WMU Planning Committee. Commissioner Mahboub seconded the motion which carried by a vote of three ayes and zero noes.

Commissioner Mattern next offered a motion to appoint Commissioner Nagel to serve as Vice Chair and Commissioner Mahboub to serve as Secretary/Treasurer for the WMU Planning Committee. Commissioner Mahboub seconded the motion was carried by a vote of three ayes and zero noes.

Committee Chair Mattern called the meeting to order at 11:35 a.m.

\*\*\*\*\*

**AGENDA ITEMS:**

**1. Discuss Local Generation Options (Burns & McDonnell Study of 2015)**

At the 2015 WMU Strategic Planning Session, discussion was held regarding the Burns & McDonnell's 2015 Analysis of Local Generation Options. This study evaluated the local generation options available to WMU for providing reliable, low cost electric power and district heating to its customers. The objective of this Study was to assess WMU's current generation assets and to create and evaluate alternative power generation resources or paths that may provide WMU reliable and affordable local electric generation options to best serve WMU's customers. Following discussion, it was the consensus of the Commission to direct Staff to further compile additional information and data concerning WMU's local generation including the district heating system. A brief history of Willmar's district heating system including a current listing of customers along with its operating functions were presented for discussion (generation, extraction, condensing of the steam, etc.). Subjects further discussed included co-generation, value of the steam & associated energy costs, regulatory issues, energy requirements, fuel cost forecasts, operation & maintenance, staffing, and current district heating customers. Options related to the functionality, reliability, environmental regulations, and cost concerns were addressed.

Following lengthy discussion, it was the consensus of the Committee to continue to gather additional information related to the district heating system along with the options related to local power generation.

**2. Review 2010 Long-Range Facilities Plan (GLTArchitects)**

In 2009, WMU engaged GLTArchitects to conduct a Long-Range Facilities Plan. The purpose of the study was to identify possible operational & energy efficiencies, improve service to customers, and to create a road map for the future so WMU can invest in their facilities capital improvement dollars. This study included assessing the current facilities, identifying current

use, and future space needs (Service Center/Line Garage, Power Plant, Office, storage areas). General Manager Hompe presented a summary of the Plan. Staff continued by briefly touching on the options/scenarios which had would be the most advantageous to WMU and its customers. Previously, it was the consensus of the Commission that the option that would be the best fit for WMU's needs would be Option 3A: New combined Office/Service Building constructed on the block between Benson & Litchfield Avenues, and 8<sup>th</sup> & 9<sup>th</sup> Streets (8<sup>th</sup> St. between Benson & Litchfield Ave. would be closed to create connection to parking across 8<sup>th</sup> Street). Existing Service Building would be remodeled as cold storage, and the existing Office building removed. Architectural design plans were reviewed by the Committee.

Financing: Annual Land Acquisition Fund Account (budgetary item) has been utilized in recent years to purchase properties located near the current Office property with the intent of future facilities use (i.e. Taco John's, Gerry's Liquor Store, etc.).

Discussion continued on future funding options and the establishment of a timeline to complete the project. Following additional discussion, the Committee expressed their desire to create a fund (annual budgetary item) specifically to establish funding (i.e. down payment) for the facilities project. The estimated annual budget amount for newly created fund would be in the amount of \$500,000/year or 20% down for the projected total facilities cost by 2020.

It was also the consensus of the Committee to initiate community involvement in the project by forming a citizens-outreach committee to explain the plan and a process to achieve the plan to bring to the entire community (marketing campaign).

**Adjournment:**

Following discussion, Commissioner Mattern offered a motion to adjourn the meeting of the WMU Planning Committee at 1:15 p.m. Commissioner Mahboub seconded, and the motion was carried by a vote of three ayes and zero noes.