

**WILLMAR MUNICIPAL UTILITIES MINUTES**  
**MUNICIPAL UTILITIES AUDITORIUM**  
**DECEMBER 14, 2015**

The Municipal Utilities Commission met in its regular meeting on Monday, December 14, 2015 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Matt Schrupp, Carol Laumer, Jeff Nagel, Joe Gimse, Justin Mattern, and Abdirizak Mahboub. Absent was Commissioner Dan Holtz.

Others present at the meeting were: General Manager Wesley Hompe, Director of Operations John Harren, Power Supply Manager Chris Carlson, Power Production Supervisor Jon Folkedahl, Information Systems Coordinator Mike Sangren, City Councilmen Andrew Plowman & Shawn Mueske, City Attorney Robert Scott (via teleconference), and WC Tribune Journalist David Little.

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

**RESOLUTION NO. 48**

“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 November 23, 2015 Commission meeting; and,
- ❖ Bills represented by vouchers No. 144669 to No. 144770 inclusive in the amount of \$237,483.66 with a MISO credit in the amount of \$34,970.91.

Dated this 14<sup>th</sup> day of December, 2015.

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President

ATTEST:

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Secretary

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

General Manager Hompe reviewed with the Commission the proposed 2016 WMU Budget. Hompe informed the Commission that at this time, there are no rate adjustments anticipated in either the Electric or Water Divisions for 2016. Hompe further stated that related to the operational costs, we anticipate a reduction in power supply costs due to the new GRE power supply contract. The District Heating Division will begin 2016 with 4 less customers than in 2015. This factor along with operational costs will have a negative effect on the District Heating Division. However at this time, there is no rate adjustment being requested. It was noted that any rate adjustment would involve a detailed study, involvement by both the WMU Planning Committee and Commission, and be subject to Commission and City Council approval. The proposed 2016 WMU Budget was set at \$32.6 million with the largest budgeted cost item being purchased power estimated at \$12.2 million. It

was also noted that the Intergovernmental Transfer to the City of Willmar would remain the same at \$2,136,842 for 2016. Following a review and discussion, Commissioner Laumer offered a resolution to approve the 2016 WMU Budget as presented. Commission Gimse seconded.

#### **RESOLUTION NO. 49**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the 2016 WMU Budget be approved as presented.”

Dated this 14<sup>th</sup> day of December, 2015.

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President

ATTEST:

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Secretary

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

In conjunction with the 2016 WMU Budget, Commissioner Gimse requested additional clarification related to the operations and costs associated with the District Heating Division. General Manager Hompe presented an overview of the operational system of the district heating.

Commissioner Gimse reviewed with the Commission the minutes from the November 23<sup>rd</sup> WMU Labor Committee meeting (see attached). The two main topics of discussion focused on the current wage market related to the Line Department personnel and a review of the Early Retirement Program offered to qualifying employees (program was established in 2008). Disparity in the wage structure and the current market for Line personnel will require additional discussions. The Early Retirement Program currently has a sunset date of December 31, 2017. A requirement of the current program was to review the program prior to the end of 2015 (done at the meeting). Additional discussions will be held in the future concerning the program. Following discussion, Commissioner Gimse offered a motion to approve the minutes of the November 23<sup>rd</sup> WMU Planning Committee meeting as presented. Commissioner Laumer seconded the motion which carried by a vote of six ayes and zero nays.

General Manager Hompe reviewed with the Commission the proposed I.B.E.W. Local Union #160 labor contract agreement. The two-year agreement would include a 2.5% wage increase for 2016, and a 2.5 % wage increase for 2017. The proposed Terms and Conditions of Settlement between WMU and I.B.E.W. Local Union #160 were presented and accepted by the membership on December 7, 2015. One change to note in the contract will be to “swap” the Columbus Day holiday for the day after Thanksgiving. Other than this one change, only minor wording clarifications and modifications were included on the agreed upon settlement. Following discussion, Commissioner Laumer offered a resolution to approve the two-year contract agreement with the union employees as presented. Commissioner Gimse seconded.

#### **RESOLUTION NO. 50**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the two-year labor agreement between the Willmar Municipal Utilities and I.B.E.W. Local Union #160

employee-members incorporating a 2.5% wage increase both in 2016 and 2017 be approved as presented.”

Dated this 14<sup>th</sup> day of December, 2015.

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President

ATTEST:

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Secretary

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

General Manager Hompe reviewed with the Commission the Federal Energy Regulatory Commission (FERC) approval of WMU's Forward Looking Test Year (FLTY). This is related to WMU's transmission system's MISO Attachment O submission. This will assist in reducing Willmar's future transmission costs as related to MISO costs. The ultimate goal remains transmission cost neutrality.

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

1. September & October 2015 Financial Statements (General Manager Hompe)
2. Sept. 30, 2015 & Oct. 31, 2015 Investment Reports (General Manager Hompe)
3. October 2015 Power Supply Report (Power Supply Manager Carlson)
4. November 2015 Wind Turbine Report (Power Production Supervisor Folkedahl)

At this time, Commissioner Schrupp introduced City Councilman Shawn Mueske who was recently appointed by Mayor Marv Calvin to serve as Council Liaison to the Municipal Utilities Commission. Councilman Andrew Plowman has been appointed Alternate for this position.

General Manager Hompe reviewed with the Commission a draft listing of educational subjects to be presented throughout the year to the Commission to expand/enhance their knowledge in the utility field. Hompe requested comments and/or suggestions from the Commissioners concerning this listing.

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)
- 2016 MMUA Events:
  - Legislative Conference – Tues., April 19 (note: 1 day only)
  - Annual Summer Meeting – August 15-17 (location TBD)

Commission President Schrupp informed the Commission that he will be resigning from the Commission effective the end of 2015 (he will attend the Dec. 28<sup>th</sup> MUC meeting). Schrupp stated

that with his new position and objectives at his place of business, time constraints would limit his ability to continue to serve on the Commission.

There being no further business to come before the Commission, Commissioner Nagel made a motion to adjourn the meeting. Commissioner Mattern seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 12:40 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

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John Harren  
Director of Operations

ATTEST:

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Carol Laumer, Secretary



**WILLMAR MUNICIPAL UTILITIES**  
**WMU Labor Committee Meeting Minutes**  
**Willmar Conference Center**  
**Monday, November 23, 2015 – 1:00 P.M.**

Attendees: Commissioners Joe Gimse & Dan Holtz, General Manager Wesley Hompe, and Director of Operations John Harren. Absent was Commissioner Carol Laumer.

Committee Chair Gimse called the meeting to order at 12:55 p.m. (immediately following the MUC meeting) by requesting any additions to the agenda.

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**AGENDA ITEMS:**

➤ **Market for Linemen's Wages:**

General Manager Hompe presented the Committee with a summary of the current wage market related to the Line Department personnel. Factors associated with the current wage market were reviewed along with the adjustments made to this division in recent history. (Note: The shortage of linemen in recent years has fueled the acceleration of wages in this field.) Further discussion continued on the future outlook of the Line Dept. personnel (i.e. retirements, etc.).

No action was taken at this time. Future discussions will continue.

➤ **Early Retirement Program Review:**

General Manager Hompe reviewed with the Committee the Early Retirement Program which has been available to qualifying employees since 2008. This program has been offered to full-time employees with 20+ years of continuous service with WMU and who are eligible to collect pension from PERA. Following a review of the program in 2012, the Commission authorized extending the program to December 31, 2017 (sunset date) with a review to be conducted prior to the end of 2015. (A brief review of the City's similar retirement program was discussed.) Hompe provided data on the current standing of qualifying personnel who have reached (or will be in the near future) eligibility.

Upon review, the WMU Labor Committee was requesting additional data prior to determining whether to sunset the program at the end of 2017 or to extend the program. Further discussion will be held.

➤ **Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Holtz offered a motion to adjourn the meeting at 1:40 p.m. Commissioner Gimse seconded the motion which carried by a vote of two ayes and zero nays.