

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
MARCH 14, 2016

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, March 14, 2016 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Dan Holtz, Joe Gimse, Justin Mattern, Abdirizak Mahboub and Nathan Weber. Absent were Commissioners Carol Laumer & Jeff Nagel.

Others present at the meeting were: General Manager Wesley Hompe, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Power Production Supervisor Jon Folkedahl, Administrative Secretary Beth Mattheisen, Staff Electrical Engineer Jeron Smith, Compliance Officer/Safety Director Janell Johnson, Power Resources Analyst Michelle Marotzke, City Attorney Robert Scott, City Councilman Shawn Mueske, City Administrator Larry Kruse, and WC Tribune Journalist Shelby Lindrud.

Due to the absence of Commission Secretary Nagel, President Holtz opened the meeting by appointing Commissioner Mattern to serve as Acting Secretary. Following the appointment, Commissioner Holtz informed the Commission that due to the absence of Energy Services Representative Mary Kosbab, Item #4 (website upgrade presentation) was being withdrawn from the current agenda and rescheduled for the March 28th MUC meeting. Commissioner Holtz next requested the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Mahboub offered a resolution to approve the Consent Agenda as amended. Commissioner Gimse seconded.

RESOLUTION NO. 9

“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 February 22, 2016 Commission meeting; and,
- ❖ Bills represented by vouchers No. 160391 to No. 160493 inclusive in the amount of \$214,108.80 with a MISO charge in the amount of \$10,686.06, and Westmoreland Resources (coal) payment in the amount of \$83,811.75.

Dated this 14th day of March, 2016.

President

ATTEST:

Acting Secretary

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

Commissioner Mattern (Chair) reviewed with the Commission minutes from the March 1st WMU Planning Committee meeting (see attached). The two main topics of discussion focused on an update/report of the proposed new WMU facilities and continued discussion on the Local Resource Strategic Plan. Supv. of Facilities & Purchasing Kevin Marti led the discussion on the proposed new facilities with reports on recent meetings and discussions held regarding the project (i.e. formation

of committees, timeline, facility tours, etc.). Staff Electrical Engineer Smith followed by presenting the basis and background information associated with a Local Resource Strategic Plan which would include both short-term and long-term plans for local generation. It was the recommendation of Staff to request that a study be conducted of the local transmission system. Following discussion, Commissioner Mattern offered a motion to approve the minutes of the March 1st WMU Planning Committee meeting as presented. Commissioner Gimse seconded the motion which carried by a vote of five ayes and zero nays.

In conjunction with the approval of the minutes from the March 1st WMU Planning Committee meeting, Staff Electrical Engineer Smith was requesting the Commission to enter into an agreement with Great River Energy (GRE) to perform a Local Resource Planning Study. This study would assist in identifying the amount of generation required by WMU to maintain a stable system during worst case scenarios (i.e. "black start"). The study would also address any reliability concerns or anticipated transmission deficiencies in the Willmar area (Kandiyohi County). The cost of the GRE study would be based on actual hours at a cost not to exceed \$21,360. Following discussion, Commissioner Gimse offered a resolution to approve the service agreement with GRE to conduct a Local Resource Planning Study in an amount not to exceed \$21,360. Commissioner Mattern seconded.

RESOLUTION NO. 10

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the agreement for professional services with Great River Energy (GRE) to perform a Local Resource Planning Study in an amount not to exceed \$21,360 be approved."

Dated this 14th day of March, 2016.

President

ATTEST:

Acting Secretary

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

At this time, a number of utility-related reports were presented to the Commission by Staff. These informational reports and analyses included:

1. 2015 Annual NERC Compliance Activity Summary (Compliance Officer/Safety Dir. Johnson)
2. 2015 Annual Safety Program Update (Compliance Officer/Safety Director Johnson)
3. January & February 2016 Wind Turbine Reports (Power Production Supervisor Folkedahl)
4. January 2016 Power Supply Report (Power Resources Analyst Marotzke)

Following the presentations, the Commission expressed their appreciation to Staff for the thorough data and reporting as presented.

General Manager Hompe informed the Commission that a meeting of the WMU Planning Committee is scheduled for March 29th beginning at 12:00 noon. The main topics to be addressed would include updates on the Water Treatment Project and the Wellhead Protection Plans/Impacts (Public Hearing - May 23rd).

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

- WMU Planning Committee Meeting – March 29th @ 12:00 noon
- Annual Home Show (WC Builders Assn.) – April 2-3 (Willmar Civic Center)
- APPA Governance Webinar Series (3 of 9): [*Federal Legislative and Regulatory Issues for Boards*](#) – April 7th @ 1:00-2:30 p.m. (WMU Conference Room)
- 2016 APPA Events:
 - Lineworkers Rodeo – April 1-2 (Shakopee, MN)
 - National Conference – June 10-15 (Phoenix, AZ)
- 2016 MMUA Events:
 - Legislative Conference – Tues., April 19 (St. Paul – one day only)
 - Annual Summer Meeting – August 15-17 (Cragun's)
- Annual Open House (Public Power Week) – Tues., October 4 (Willmar Civic Center)

There being no further business to come before the Commission, Commissioner Mattern made a motion to adjourn the meeting. Commissioner Gimse seconded the motion which carried by a vote of five ayes and zero nays, and the meeting was adjourned at 12:33 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Justin Mattern, Acting Secretary



WILLMAR MUNICIPAL UTILITIES
WMU PLANNING COMMITTEE MEETING MINUTES
Tuesday, March 1, 2016
12:00 Noon - WMU Conference Room

Present: Commissioners Justin Mattern, Jeff Nagel & Abdirizak Mahboub, General Manager Wesley Hompe, Director of Operations John Harren, Staff Electrical Engineer Jeron Smith, Supervisor of Facilities & Purchasing Supervisor Kevin Marti, and Supervisor of Power Production Jon Folkedahl.

Committee Chair Mattern called the meeting to order at 11:59 a.m.

AGENDA ITEM(S):

➤ **Proposed New Facilities Report/Update:** Supervisor of Facilities & Purchasing Marti led discussion on the proposed 2020 Facilities Project.

1. 01.14.16: WMU Staff members met & agreed that the creation of two separate committees would be the best approach to proceed with the project. Two project committees will be created.
 - a. Committee #1 will consist of Staff & Commission representation to assist in determining the design & functionality of a facility that would best meet the needs of the WMU and the citizens of Willmar.
 - b. Committee #2 will consist of Staff & Commission representation along with members of the business and private community to address public views and advisory aspects of the facility.
2. 02.10.16: WMU Building Committee met. Discussion included:
 - a. Project timeline: tentative completion date - spring of 2020
 - b. Schedule tours of various facilities
 - c. Discussed pros & cons of joint facility with COW
3. 02.22.16: Participated in facility tours (KPC and Runestone Electric)
4. 02.23.16: Informal meeting with City of Wilmar
 - a. Staff met with reps from City & Rice Hospital - City presented a plan designed to build a joint office facility/parking facility in downtown Willmar Block 50 would make combing WMU Administration and Operations difficult.
5. Next steps:
 - a. Finalize a Request for Proposals (RFP) to update the existing 2010 Building Study (RFP is near completion). Committee #1 will meet to further review the proposed RFP.
 - b. Continue discussion with COW on proposed project(s) (City & Hospital)
 - c. Marketing, designing & project management of the entire facility

➤ **Local Resource Strategic Plan:** Staff Electrical Engineer Smith lead discussion by presenting the basis & background associated for the study based on the Burns & McDonnell study (2015). The study would include both short-term (1-2 yrs.) & long-term (20+ yrs.) plans for the local electric generation system with a target of January 1, 2017 to have the strategic plan defined. We would also like to have a "black start" procedural process in place at that time.

Local electric generation is essential to ensure WMU” stability & reliability of its electric service at competitive rates. The electric generation also contributes to the diversity of WMU’s energy portfolio which protects against unfavorable market swings and provides bargaining leverage for power contract negotiations

1. Reasons for the project:
 - a. Present market prices for energy & capacity are significantly less than WMU’ cost to generation energy locally.
 - b. Future air quality regulations must be addressed. Possible future government legislation may limit the combustion of coal
 - c. Question of electric generation plant’s ability to reliably operate independently of the area transmission system.
 - d. WMU’s Plant is a multimillion dollar operation that employs approx. 20 people.
 - e. Development of a strategic plan to address this issue is crucial
2. Project components reviewed included:
 - a. Deliverable list
 - b. Tentative schedule (project kickoff was in 2014; target date of 2017 for implementation of the Local Resource Strategic Plan.
 - c. Stakeholders:
 - i. Project Team – WMU Supervisory Staff Members
 - ii. WMU Planning Committee
 - iii. WMU Commission.
3. PowerPoint presentation update of Local Resource Strategic Plan (Jeron Smith):
 - a. Burns & McDonnell Report Review
 - b. HX Steam Cost Analysis
 - c. GRE Transmission Planning Study
 - d. Defining next steps in the study process
 - i. Identify costs associated with various scenarios
 - ii. Technology exploration
 - iii. Strategic Plan
 - iv. “Black-Start” procedure

Following discussion, Staff Electrical Engineer Smith was requesting permission to recommend to the full Commission that a study be conducted of the local transmission system. The study would identify the amount of generation required by WMU to maintain a stable system at all times. The study would also address any reliability concerns in the Willmar/Kandiyohi County area.

➤ **Miscellaneous:**

1. Schedule the next WMU Planning Committee Meeting during the week of March 28th
2. Agenda items to include:
 - Water Treatment Project Update
 - Update Wellhead Protection Plans/Impacts (Public Hearing – May 23rd)

Adjournment:

Following discussion, Commissioner Nagel offered a motion to adjourn the meeting of the WMU Planning Committee at 1:37 p.m. Commissioner Mahboub seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero noes.