

**WILLMAR MUNICIPAL UTILITIES MINUTES**  
**MUNICIPAL UTILITIES AUDITORIUM**  
**MAY 23, 2016**

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, May 23, 2016 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Dan Holtz, Jeff Nagel, Joe Gimse, Justin Mattern, Abdirizak Mahboub, and Nathan Weber. Absent was Commissioner Carol Laumer.

Others present at the meeting were: General Manager Wesley Hompe, Director of Operations John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Power Production Supervisor Jon Folkedahl, Administrative Secretary Beth Mattheisen, Water & Heating Supervisor Joel Braegelman, Staff Electrical Engineer Jeron Smith, Line Distribution Supervisor Todd Graves, Construction Engineer Bill Hawkinson, City Attorney Robert Scott, City Councilman Shawn Mueske, Conway, Deuth & Schmiesing CPA Darrin Ogdahl, Liesch Associates Representative Jim deLambert, and WC Tribune Journalist Shelby Lindrud.

Commission President Holtz opened the meeting by requesting 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. 21**

“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 9, 2016 Commission meeting; and,
- ❖ Bills represented by vouchers No. 160833 to No. 160929 inclusive in the amount of \$1,850,630.39 with a MISO charge in the amount of \$25,161.31.

Dated this 23<sup>rd</sup> day of May, 2016.

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President

ATTEST:

\_\_\_\_\_  
Secretary

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

**At 11:50 a.m., Commissioner Holtz announced that the scheduled public hearing to address the Wellhead Protection Plan would be conducted at this time. Jim deLambert of Liesch Associates (a Terracon Company) was in attendance to review the Wellhead Protection which is a requirement of the Safe Drinking Water Act administered by EPA. This plan is a way to prevent drinking water from becoming polluted by managing potential sources of contamination in the area which supplies water to the public wells. Mr. deLambert provided illustrations depicting the well locations in Willmar along with additional data related to the water system. It was noted that a legal notice had been published in the West Central Tribune on May 2, 2016. No one from the public attended the hearing and no comments had been received concerning the Wellhead Protection Plan. The public hearing was closed at approximately 12:00 p.m.**

Commissioner Holtz introduced CPA Darrin Ogdahl from the accounting firm of Conway, Deuth & Schmiesing, PLLP. He was in attendance to present the Commission with a report summarizing the 2015 Financial Statements & Accountants' Report for the Willmar Municipal Utilities. Mr. Ogdahl informed the Commission that following a thorough review of the financial statements and reporting records of the Willmar Municipal Utilities, it was determined that the WMU was in compliance with the provisions of laws, regulations, contracts, and agreements. Commissioner Holtz expressed his appreciation to Staff for their efforts demonstrated in accomplishing the annual audit along with the daily operations following the unexpected passing of Director of Finance Hunstad in January. Following discussion, Commissioner Gimse offered a motion to accept the 2015 Financial Statements & Accountants' Report as presented. Commissioner Mattern seconded the motion which carried by a vote of six ayes and zero nays.

Commissioner Mattern (Chair) reviewed with the Commission minutes from the May 13<sup>th</sup> WMU Planning Committee meeting (see attached). Items of discussion included: 1) Operational Policies review & discussion; 2) Water Treatment Plants Project including agreement with Carollo Engineers; 3) Facilities/Building Project update; 4) Energy Acquisition Adjustment (EAA); and, 5) request for Commissioner iPad/tablet devices. Following review and discussion, Commissioner Nagel offered a motion to approve the minutes of the May 13<sup>th</sup> WMU Planning Committee meeting as presented. Commissioner Mahboub seconded the motion which carried by a vote of six ayes and zero nays.

In conjunction with the approval of the WMU Planning Committee minutes, two items were presented to the Commission for approval. First, the Committee was recommending to approve the proposed revisions to the WMU Operations Policy Manual including the newly created Purchasing Policy and the Information Technology Disaster Recovery Plan. The modifications proposed were needed to bring the Manual current and in compliance with all statues and operational requirements. Following review and discussion, Commissioner Mattern offered a resolution to approve the WMU Operations Policy Manual with the inclusion of the Purchasing Policy and the Information Technology Disaster Recovery Plan as presented. Commissioner Nagel seconded.

#### **RESOLUTION NO. 22**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the modifications to the WMU Operations Policy Manual be approved in its entirety as presented."

Dated this 23<sup>rd</sup> day of May, 2016.

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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.

The second item to be recommended for approval by the WMU Planning Committee was to authorize the next step of the Water Treatment Plan (previously approved project for the Northeast & Southwest Water Treatment Plants) with Carollo Engineers. The scope of services would be to conduct the preliminary design for conversion to the biological filtration. The maximum amount for this portion of the multi-year project is in the amount of \$137,022. Following discussion,

Commissioner Nagel offered a resolution to approve the Scope of Service with Carollo Engineers in the amount of \$137,022 for the preliminary design for conversion to biological filtration of the NE and SW Water Treatment Plants. Commissioner Mahboub seconded.

**RESOLUTION NO. 23**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Scope of Services Agreement with Carollo Engineers, Inc. of Broomfield, Colorado, for the preliminary design for conversion to biological filtration be approved in the amount of \$137,022.”

Dated this 23<sup>rd</sup> day of May, 2016.

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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.

Commissioner Gimse (Vice Chair) reviewed with the Commission the minutes of the May 9<sup>th</sup> WMU Labor Committee meeting (see attached). Items of discussion included: 1) Memorandum of Agreement with IBEW Local Union #160 regarding Meter and Line Departments; 2) review of Request for Proposals to engage executive search firm; and, 3) Interim General Manager position. Following review and discussion, Commissioner Gimse offered a motion to approve the minutes of the May 9<sup>th</sup> WMU Labor Committee meeting as presented. Commissioner Mattern seconded the motion which carried by a vote of six ayes and zero nays.

Following the approval of the minutes and recommendation by the WMU Labor Committee, Commissioner Holtz requested the Commission to authorize designation of John Harren (Director of Operations) to serve as Interim General Manager effective July 16, 2016. (General Manager Hompe will be retiring effective July 15, 2016.) It was noted that compensation for this position will be considered prior to the actual effective date. Following discussion, Commissioner Gimse offered a resolution to authorize Director of Operations Harren to serve as the Interim General Manager effective July 16, 2015. Commissioner Mahboub seconded.

**RESOLUTION NO. 24**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Commission appoint Director of Operations John Harren to serve as Interim General Manager effective July 16, 2016 with compensation to be considered prior to that date.”

Dated this 23<sup>rd</sup> day of May, 2016.

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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.

Staff Electrical Engineer Smith reviewed with the Commission bid opening results and recommendation to award the 230 kV WB Transmission Line Structure Replacement Project. The project consists of replacing 16 structures of the WB Transmission Line. Upon review of the five bids received, it was the recommendation of Staff to award the bid to Emblom's Midwest Powerline Construction for their bid in the amount of \$152,500. Following discussion, Commissioner Nagel offered a resolution to award the bid for the replacement of 16 line structures to Emblom's Midwest Powerline Construction in the amount of \$152,500. Commissioner Gimse seconded.

**RESOLUTION NO. 25**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the 230 kV WB Transmission Line Structure Replacement Project be awarded to Emblom's Midwest Powerline Construction, Inc., of Sauk Centre, MN, in the amount of \$152, 500."

Dated this 23<sup>rd</sup> day of May, 2016.

\_\_\_\_\_  
President

ATTEST:

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Secretary

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

General Manager Hompe requested the Commission to approve a resolution with Morgan Stanley Smith Barney, LLC (MSSB) entitled Authorized Persons and Enabling Resolutions for Corporations. The agreement would designate specific staff members to provide for opening and/or maintaining financial accounts (i.e. investments) on behalf of Willmar Municipal Utilities. Following discussion, Commissioner Nagel offered a resolution to approve designated Staff members to conduct financial business on behalf of the Willmar Municipal Utilities with MSSB. Commissioner Gimse seconded.

**RESOLUTION NO. 26**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Authorized Persons and Enabling Resolutions for Corporations with Morgan Stanley Smith Barney, LLC, be approved authorizing Director of Finance Denise Runge and Director of Operations John Harren to conduct financial business on behalf of Willmar Municipal Utilities."

Dated this 23<sup>rd</sup> day of May, 2016.

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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.

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

1. April 2016 Wind Turbine Report (Power Production Supervisor Folkedahl)
2. Electric Distribution Update/Report (Line Distribution Supv. Graves/Construction Engineer Hawkinson)

Director of Operations Harren presented the Commission with a report on his recent attendance to the Missouri River Energy Services (MRES) Annual Meeting held in Sioux Falls on May 11 & 12. MRES is an organization consisting of 60 member municipalities that own and operate their own electric distribution systems. Among the topics of interest discussed were: changes in the industry; smart grid; distribution system & data collection; renewable energy; de-carbonization & clean power plants; EPA requirements; and, grid resilience.

Per request by the WMU Planning Committee, General Manager Hompe presented a brief update on the status of two WMU capital improvement projects. First, the Priam Substation continues to remain on hold pending agreement of a Memorandum of Understanding between WMU and Great River Energy (GRE). Reps from both entities are scheduled to meet in June to continue discussions. Second, Staff is anticipating additional results and data from the generation study regarding the pending Diesel Generation Relocation Project.

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

- WMU Labor Committee Meeting – June 1 @ 8:00 a.m.
- APPA National Conference – June 10-15 (Phoenix, AZ)
- MMUA Annual Summer Mtg. – August 15-17 (Cragun's)
- WMU Annual Open House (Public Power Week) – Tues., October 4

There being no further business to come before the Commission, Commissioner Nagel offered a motion to adjourn the meeting. Commissioner Mahboub seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 1:18 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

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Beth Mattheisen  
Administrative Secretary

ATTEST:

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Jeff Nagel, Secretary



## WILLMAR MUNICIPAL UTILITIES

### WMU PLANNING COMMITTEE MEETING MINUTES

Friday, May 13, 2016 – 1:00 p.m.

WMU Conference Room

Present: Commissioners Justin Mattern (Chair) & Abdirizak Mahboub, General Manager Wesley Hompe, Director of Operations John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Compliance Officer Janell Johnson, Water/Heating Supervisor Joel Braegelman, Carollo Engineering Rep Vincent Hart, and Supervisor of Facilities & Purchasing Kevin Marti.

Committee Chair Mattern called the meeting to order at 1:04 p.m.

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#### AGENDA ITEM(S):

##### ➤ **Operational Policies Review/Discussion:**

Compliance Officer Johnson introduced discussion on the process and modifications being proposed to bring the WMU Operations Policy Manual current and in compliance with all statutes and operational requirements. An itemized listing of the revisions was presented for review. Among the changes to note were programming/coding changes (due to new software system), disconnection procedures, service requirements & classification updates, and general verbiage updates. Also to note was the inclusion of two new policies which have been created to be incorporated into the manual (Purchasing Policy and Information Technology Disaster Recovery Plan).

**Purchasing Policy:** Director of Operations Harren reviewed with the Committee the Purchasing Policy. The purpose of this policy is to establish the procedures for purchases made on behalf of WMU. This policy would ensure the all purchases comply with applicable laws; ensure the lowest price and best value while purchasing goods/services; and, to provide clear and consistent guidelines for authorized WMU employees/purchasers to follow. Purchasing levels/limits and authorized Staff have has been established. WMU follows all state and federal laws regarding contracting and competitive bidding laws.

Relative to the proposed Purchasing Policy, Commissioner Mattern requested that a listing of annual consulting and/or engineering service contracts from consultants that WMU routinely use exceeding \$5,000 be made available to the Commission in January of each year for approval.

**Information Technology Disaster Recovery Plan:** Compliance Officer Johnson presented the newly created Information Technology Disaster Recovery Plan to the Committee for discussion and review. The primary focus of this plan is to provide a response plan in the event of a disaster that severely affects WMU's central computer system. This disaster recovery plan has the following primary objectives:

- 1) Present an orderly course of action for restoring critical computing capability to WMU;
- 2) For making the decision to recover at a cold site or repair the affected site (cold site is a location other than the current WMU office bldg.);
- 3) Describe an organizational structure for carrying out the plan;
- 4) Provide information concerning personnel that will be required to carry out the plan and the computing expertise required; and,

- 5) Identify the equipment, relocation needs, procedures, and other items necessary for the recovery (i.e. contact information).

**Action:**

Following discussion, it was the recommendation of the WMU Planning Committee to accept the proposed WMU Operations Policy Manual, Purchasing Policy and Information Technology Disaster Recovery Plan. The Operations Policy Manual will be presented to the Commission at their May 23<sup>rd</sup> MUC meeting for approval.

*At this time, Compliance Officer Johnson departed the meeting. Water/Heating Supervisor Braegleman and Carollo Engineering Rep Vincent Hart entered the meeting at this time.*

➤ **Water Division: Water Treatment Plant (Scope of Services – Carollo)**

Water/Heating Supervisor Braegleman introduced Carollo Engineering Rep Vincent Hart to the WMU Planning Committee. Hart reviewed with the Committee the continuing water treatment plan and a conceptual preliminary design for conversion to biological filtration. A recap of the project was presented which including the results of the pilot plant and scope of services to move forward with the established process. Following the previously established schedule, the next step of the project is to conduct the preliminary design for conversion to the biological filtration.

**Action:**

Following review and discussion, it was the recommendation of the WMU Planning Committee to move forward with the Scope of Services with Carollo as presented. A request for agreement approval with Carollo Engineers will be presented to the Commission at the May 23<sup>rd</sup> MUC meeting.

*At this time, Braegelman and Hart departed the meeting. Supervisor of Facilities & Purchasing Kevin Marti entered the meeting at this time.*

➤ **Facilities/Building Project Update:**

Supervisor of Facilities & Purchasing Marti presented a status update of the facilities/bldg. On April 13<sup>th</sup>, WMU Staff met with City Staff (Larry Kruse & Bruce Peterson) and Nancy Schultz from CRBPS (firm conducting a facilities assessment study for COW) to further address the possibility of a joint facilities venture in an effort to increase efficiencies. WMU Staff has been in contact with GLTArchitects to request a possible update of the original facilities assessment study conducted in 2010 for WMU. A proposal has been submitted to WMU by GLTA (\$4,200), and a meeting with GLTA reps has been scheduled for May 16<sup>th</sup> to further discuss the project. Currently CRBPS does not have a tentative date for completion of the City's study at this time. Upon completion of both studies, an independent third party may need to be engaged to provide an objective opinion on the results of the two studies.

*At this time, Marti departed the meeting.*

➤ **Energy Acquisition Adjustment (EAA) and Rate Study:**

Power Supply Manager Carlson presented the Planning Committee with data and background information regarding the EAA. Results of the Cost of Service & Rate Design Study (November 2014) conducted by Dave Berg Consulting were reviewed. As a result of the Study, four rate increases were recommended for implementation (current & future). Proposed capital improvement projects along with power supply costs were the driving force behind the rate

increase at that time. It was noted that the new power supply contract (GRE) has greatly affected the current power supply costs, however, those costs were recognized in the rate study. In the long-term, Staff anticipates additional rate increases as proposed in the rate study will be required to have the financial backing/cash reserves as needed to complete the projects in the Capital Improvement Plan.

➤ **Miscellaneous:**

Commissioner Mahboub suggested that in an effort to increase the information access for all Commissioners, iPads or tablet devices should be looked into as a means to keep the Commissioners current on matters concerning WMU. It was the consensus of the WMU Planning Committee to direct Staff to further investigate the options available for purchasing the tablet devices. (Note: This item has been budgeted.)

Requested future project updates: 1) Priam Substation, and 2) Relocation of Diesel Generators

**Adjournment:**

Following discussion, Commissioner Mahboub offered a motion to adjourn the meeting of the WMU Planning Committee. Commissioner Mattern seconded the motion which carried, and the meeting was adjourned by a vote of two ayes and zero noes at 2:47 p.m.



## WILLMAR MUNICIPAL UTILITIES

### WMU LABOR COMMITTEE MEETING MINUTES Monday, May 9, 2016 – 12:00 p.m. WMU Conference Room

Attendees: Commissioners Carol Laumer (Chair), Joe Gimse, Nathan Weber, General Manager Wesley Hompe, Director of Operations John Harren, and Customer Service/Meter Dept. Supervisor Stacy Stien.

Committee Chair Laumer called the meeting to order at 12:08 p.m.

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#### **AGENDA ITEMS:**

##### ➤ **Memo of Agreement with IBEW regarding Meter and Line Departments::**

A Memo of Agreement (MOA) created between IBEW Local #160 and the WMU regarding modifications of the Meter Dept. classifications and market wage adjustments for the Line Dept. employees was reviewed.

**Meter Department:** Customer Service/Meter Dept. Supv. Stien presented an overview of the Meter Department, its personnel and the current transitioning the department is experiencing. Following a review of the current positions and assessing the needs of the department, it was determined that the following modifications to the Meter Department were warranted. In an effort to increase efficiencies, it is the recommendation of Staff to transition from five positions to three positions. Individual position adjustments were reviewed including:

- Current Meter Reader/Mechanic employee will be reclassified to the Electric Meter Technician position.
- Leaving the Meter Reader/Mechanic classification open.
- Modifications to the Electric Meter Technician job description will reflect the changes in the position.

**Line Department:** General Manager Hompe and Director of Operations Harren recapped for the Labor Committee the current status of the WMU Line Dept. wage structure versus the area market wages. With the current wage differential continuing to grow farther apart, it is the recommendation of Staff to amend the current wage structure of the WMU Line Dept.

Staff was directed to contact Labor Attorney Frank Madden concerning the process of signing of the MOA.

It was the recommendation of Staff to have the effective date of the agreed upon MOA's be stated as: the first full pay period after approval/execution by both parties pending Attorney Madden's approval. Also to note was that, as previously set forth, no back pay is given for wage adjustments (union or non-union positions).

#### **Action:**

Following discussion, Commissioner Gimse made a motion to submit the agreed upon Memo of Agreement (with the noted adjustments) to IBEW Local #160 for acceptance. Commissioner Weber seconded the motion which carried by a vote of three ayes and zero nays.

➤ **Review Requests for Proposals (RFP) to engage executive search firm to conduct General Manager hiring process:**

A RFP to engage an executive search firm for the hiring of a General Manager for WMU was reviewed. At this time, the RFP will be sent to the following four individual firms: 1) David Drown Associates; 2) Waters & Company (a Springsted company); 3) Big River Group LLC; and, 4) S. Renee Narloch & Associates. Established dates of protocol to be followed for the selection of an executive search firm are as follows:

- a. RFP issued: May 9, 2016
- b. Proposals Due: May 25, 2016
- c. Labor Committee Review: June 1, 2016
- d. Commission Approval: June 13, 2016

➤ **Interim General Manager position:**

In conjunction with the impending retirement of General Manager Hompe (effective July 15<sup>th</sup>), it is the recommendation of the Labor Committee to name Director of Operations Harren to serve as the Interim General Manager. This is a proactive measure by the Commission to establish continuity in the leadership position of WMU. The date of the Interim General Manager appointment would be effective July 16, 2016. Commissioner Laumer has been in contact with MMUA staff to assist in determining the appropriate wage/salary for the interim position. General Manager Hompe will provide the Committee with additional wage/benefit data for the following positions: General Manager, Director of Operations and Director of Finance. Hompe will also provide the Committee with the current General Manager job description for their review and to assist in establishing the interim position duties.

**Action:**

Following discussion, Commissioner Weber offered a motion to appoint John Harren as the Interim General Manager, effective July 16, 2016. Commissioner Gimse seconded the motion which carried by a vote of three ayes and zero nays.

(Note: Commission approval will be requested at the May 23<sup>rd</sup> MUC meeting.)

➤ **Miscellaneous:**

Next WMU Labor Committee meeting has been scheduled for Wednesday, June 1<sup>st</sup> beginning at 8:00 a.m. A review of the submitted RFP's (GM search firms) will be reviewed at this time.

➤ **Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Laumer offered a motion to adjourn the meeting at 1:12 p.m. Commissioner Gimse seconded the motion which carried by a vote of three ayes and zero nays.