

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
SEPTEMBER 12, 2016

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, September 12, 2016 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Dan Holtz, Carol Laumer, Jeff Nagel, Joe Gimse, Justin Mattern, Abdirizak Mahboub and Nathan Weber.

Others present at the meeting were: Interim General Manager John Harren, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Energy Services/Marketing Rep Mary Kosbab, Power Resources Analyst Michelle Marotzke, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott, and City Councilman Shawn Mueske.

Commission President Holtz opened the meeting by requesting the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Gimse offered a resolution to approve the Consent Agenda as presented. Commissioner Mahboub 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 August 22, 2016 Commission meeting;
- ❖ Minutes from the August 29, 2016 Commission Work Session; and,
- ❖ Bills represented by vouchers No. 161606 to No. 161733 and associated wire transfers inclusive in the amount of \$466,366.40.

Dated this 12th day of September, 2016.

President

ATTEST:

Secretary

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

Commissioner Mattern (Chair) reviewed with the Commission the minutes from the September 9th WMU Planning Committee meeting (see attached). The main topics of discussion focused on: 1) Pacific Avenue Storm Water Improvement Project (bid award); 2) 2017 WMU Budget (preliminary) Review; 3) Emergency Contingency Plan; and, 4) Facilities/Building Project Update. Following review and discussion, Commissioner Mattern offered a motion to approve the minutes of the September 9th WMU Planning Committee meeting as presented. Commissioner Nagel seconded the motion which carried by a vote of seven ayes and zero nays.

In conjunction with the minutes of the September 9th WMU Planning Committee meeting, a recommendation had been presented to the Commission to approve the bid award for the Pacific Avenue Storm Water Improvement Project to Duinick, Inc., of Prinsburg, MN. Duinick's submitted the sole bid for the project in the amount of \$112,735.00 (base bid) + \$36,222.50

(alternate items) for a maximum total of \$148,957.50. Following discussion, Commissioner Nagel offered a resolution to approve the bid award for the Pacific Avenue Storm Water Improvement Project to Duininck, Inc. for the maximum amount of \$148,957.50. Commissioner Mattern seconded.

RESOLUTION NO. 43

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid submitted by Duininck, Inc., of Prinsburg, Minnesota, for the Pacific Avenue Storm Water Improvement Project be approved in the amount of \$112,735.00 (base bid) + \$36,222.50 (alternate items) for a maximum total of \$148,957.50.”

Dated this 12th day of September, 2016.

President

ATTEST:

Secretary

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

Interim General Manager Harren informed the Commission that the Planning Committee had also recommended the approval of the updated WMU Emergency Contingency Plan. Harren noted that the proposed plan has been developed and updated to encompass the entire company in all three buildings (Office, Power Plant, Service Center) by giving basic direction to employees in the event of an emergency by identifying areas of responsibility and many resources. Following discussion, Commissioner Mattern offered a motion to approve the WMU Emergency Contingency Plan as presented. Commissioner Laumer seconded the motion which carried by a vote of seven ayes and zero nays.

At this time, two utility-related topics were presented to the Commission for review and discussion. These informational reports and analyses included:

1. July 2016 Power Supply Report (Power Resources Analyst Marotzke)
2. July 2016 Wind Turbine Report (Interim General Manager Harren)

Interim General Manager informed the Commission that the annual Public Power Week has been set for October 2-8. Public Power Week is an opportunity for public power utilities to remind customers about the advantages that public power offers. Following discussion, Commissioner Laumer offered a resolution designating October 2-8, 2016 as the 30th Annual Public Power Week with an Open House to be held on Tuesday, October 4th from 4:00-6:30 p.m. at the Willmar Civic Center. Commissioner Gimse seconded.

RESOLUTION NO. 44

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

Energy Services/Marketing Rep Kosbab shared with the Commission a PowerPoint presentation marking the celebration of WMU's 125th Anniversary. This presentation depicted WMU's historic

path from conception to present day. The enlightening presentation will be available for use by local community organizations.

(Commissioner Laumer departed the meeting at 12:13 p.m.)

Interim General Manager Harren informed the Commission that iPad training (along with the Call to Order meeting application) will be conducted at the next MUC meeting (Sept. 26th).

For information: Upcoming meetings/events to note include:

- WMU Planning Committee Meeting – Monday, Sept. 19th @ 12:00 p.m.
- WMU Annual Open House (Public Power Week) – Tues., October 4 @ 4:00-6:30 p.m. (Civic Center)
- APPA Public Utility Governance Webinar: [*Achieving Excellence in Public Power Governance*](#) – Wed., Oct. 5 @ 1:00-2:30 p.m. CST (WMU Conference Room)
- MMUA Legislative Rally - January 31-February 1, 2017
- APPA Legislative Rally - February 27-March 1, 2017 (Washington, DC)
- APPA National Conference - June 19-21, 2017 (Orlando, FL)

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 12:22 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Jeff Nagel, Secretary



WILLMAR MUNICIPAL UTILITIES

WMU PLANNING COMMITTEE MEETING MINUTES

Friday, September 9, 2016 - 12:00 p.m.

WMU Conference Room

Present: Commissioners Justin Mattern (Chair), Jeff Nagel & Abdirizak Mahboub, Interim General Manager John Harren, Director of Finance Denise Runge, Power Plant Supervisor Jon Folkedahl, Purchasing & Facilities Manager Kevin Marti, and Administrative Secretary Beth Mattheisen.

Committee Chair Mattern called the meeting to order at 12:00 p.m.

AGENDA ITEM(S):

➤ **Pacific Avenue Storm Water Improvement Project :**

Power Plant Supervisor Folkedahl informed the Committee that one bid had been received for the Pacific Avenue Storm Water Improvement Project. To remain compliant with permit requirements as established by the National Pollutant Discharge Elimination System (NPDES), improvements to the quality of WMU's storm water discharge (runoff) are necessary. The required improvements would include paving selected areas to re-direct runoff, remove storm water inlet & concrete curbing, install fencing & wheel loader rumble strips, and construction of a sand filter bed. Duininck, Inc., submitted a bid in the amount of \$112,735.00 (base bid) + \$36,222.50 (alternate items) for a maximum total of \$148,957.50. Folkedahl noted that \$155,250 had been budgeted for the total project.

Committee Action:

Following discussion, Commissioner Nagel offered a motion to recommend approval of the bid submitted by Duininck, Inc., to conduct the Pacific Avenue Storm Water Improvement Project for the total maximum amount of \$148,957.50. Commissioner Mahboub seconded the motion which carried by a vote of three ayes and zero nays.

➤ **2017 WMU Budget Review:**

Director of Finance Runge reviewed with the Committee the preliminary 2017 WMU Budget. Departmental (Electric, Water, Heating) analyses and data were presented for review. This data reflected revenues, expenses, and income related to each of the divisions for a total projected 2017 budget. Also included in the presented data was the preliminary Capital Improvement Budget for 2017. Following a review and discussion, additional modifications were needed to the proposed budget (primarily amounts in Capital Improvement Budget).

Interim General Manager Harren along with Runge indicated that with the review of the necessary future projects needed to increase the reliability and efficiency of the Utility, electric & water rates will need to be readdressed in the near future. They noted that Dave Berg Consultants had conducted a Cost of Service & Rate Study in 2014. The projections from this study compared to today's actual numbers were very close and indicated a strong need to adjust the current rates. Further discussions will be held addressing a possible increase in both electric and water rates.

➤ **Emergency Contingency Plan:**

Interim General Manager Harren informed the Committee that Staff had prepared an updated WMU Emergency Contingency Plan. This proposed plan has been developed and updated to encompass the entire company in all three buildings (Office, Power Plant, Service Center) by giving basic direction to employees in the event of an emergency by identifying areas of

responsibility and many resources. This emergency plan is a living document and will be updated as necessary.

Committee Action:

Following discussion, it was the consensus of the Planning Committee to recommend that the Commission approve the WMU Emergency Contingency Plan as presented.

➤ **Facilities/Building Project Update:**

Purchasing/Facilities Manager Marti reviewed with the Committee a number of items related to the Facilities/Building Project. Marti and Harren presented a brief background of the proposed project along with the options for consideration related to the project (i.e. independent facility, joint facility with City, campus-type area, location sites, etc.). To assist in determining the most beneficial and cost effective direction to proceed with, it was the consensus of the Planning Committee to schedule their next meeting for Monday, Sept. 19th at 12:00 p.m. to further discuss the project. One of the items to be addressed will be to establish WMU "Facility Talking Points" to share with WMU employees and the Willmar community.

Mayor's Community Task Force Committee:

In conjunction with the proposed facilities project, Mayor Calvin has requested to form a Mayor's Community Task Force to review and assess the WMU/City facility needs. He has asked that each entity submit 15 names for possible appointments to the Committee. The Mayor will then condense the list into a task force consisting of 12-15 members that will discuss and make recommendations to WMU and the City (completed by 1st quarter of 2017). Following discussion regarding potential members, the Committee came to a consensus with 12 names to be submitted for consideration to serve on the Mayor's Community WMU/City Facility Taskforce. (See attached)

Phone System:

Marti informed the Planning Committee of the need to replace the current phone system at the Utility. The current system is antiquated and does not offer the technology to integrate with the operating system, voicemail ease of use/transfer abilities, cell phone connectivity for efficiency purposes and automated answering system. The current system is obsolete with parts becoming scarce and unserviceable. Marti added that the approximate cost to replace the telephone system and installing infrastructure in the current facilities is \$40,000-\$50,000. It was noted that this Capital Improvement item was approved in the 2016 Budget. Marti further stated that parts of the new system can be potentially moved to a new facility in the future. It was the consensus of the Planning Committee to move forward with the replacement of the current telephone system.

Cost of Continued Delays:

The next item presented for discussion was a listing illustrating potential costs associated with the continuation of delays related to the facilities project. The data included both short-term and long-term costs.

Map/Illustration of area size requirement for potential facilities:

Illustrations depicting two examples of the facility's size requirements in relation to two possible City sites were reviewed & discussed.

➤ **Miscellaneous:**

It was a consensus of the WMU Planning Committee to schedule the next Planning Committee meeting for Monday, September 19th @ 12:00 noon. Topics of discussion will include:

1. 2017 WMU Budget
2. WMU Talking Points (facilities/building project)

(Commissioner Mattern departed the meeting at 2:32 p.m.)

Adjournment:

Following discussion, Commissioner Mahboub offered a motion to adjourn the meeting of the WMU Planning Committee. Commissioner Nagel seconded the motion which carried, and the meeting was adjourned by a vote of two ayes and zero noes at 2:45 p.m.

WMU Suggestions to Mayor's Community WMU/City Facility Task Force

- Mike Schramm- Rice Hospital
- Bob Mathiasen- Heritage Bank
- Shane Johnson- Bremer Bank
- Nathan Streed- Harvey Anderson Funeral Home
- Robbert Stone- West Central Industries/Willmar Fire Dept.
- Mike Kubesh- Willmar Bus Service
- Scott Barney- Walt's
- David Little- Retired WC Tribune
- Jerry Gesch- Former WMU Commissioner
- Carol Laumer- WMU Commissioner
- Shawn Mueske- City Council Liaison
- Mitra Engan- Engan & Associates

Mayor Calvin has suggested a Mayors task force to discuss the WMU/City facility needs, he has asked us for names of potential committee members and will do the same from City staff.

Mayor Calvin will then condense the list into a task force consisting of 10-12 members that will be tasked with discussing and making recommendations to WMU and the City by 1st Quarter 2017. Recommendations will include joint (campus concept) or separate facilities, community needs and design input and potential locations for new facilities.

RESOLUTION NO. 44

**2016 PUBLIC POWER WEEK
IN APPRECIATION OF WILLMAR MUNICIPAL UTILITIES,
OUR HOMETOWN ELECTRIC UTILITY**

WHEREAS, we, the citizens of Willmar, place high value on local control over community services and therefore have chosen to operate a community-owned, locally controlled, not-for-profit electric utility and, as consumers and owners of our electric utility, have a direct say in utility operations and policies; and

WHEREAS, Willmar Municipal Utilities is committed to investing in the future energy needs of its customers with clean, affordable, and renewable energy sources; and

WHEREAS, Willmar Municipal Utilities provides our homes, businesses, farms, social service, and local government agencies with reliable, efficient, and cost-effective electricity employing sound business practices designed to ensure the best possible service at not-for-profit rates; and

WHEREAS, Willmar Municipal Utilities is a valuable community asset that contributes substantially to the well-being of local citizens through energy efficiency, customer service, environmental protection, economic development, and safety awareness; and

WHEREAS, problems with the deregulation of the electric utility industry have renewed public interest in and appreciation for the concept of locally controlled, community-owned public power systems; and

WHEREAS, Willmar Municipal Utilities is a dependable and trustworthy institution whose local operation provides many consumer protections and continues to make our community a better place in which to work and live;

NOW, THEREFORE BE IT RESOLVED, that Willmar Municipal Utilities will continue work to bring lower-cost, safe, reliable electricity to community homes and businesses just as it has since 1895, the year when the utility was created to serve all the citizens of Willmar; and

BE IT FURTHER RESOLVED, that the week of October 2-8, be designated the 30th annual Public Power Week in order to honor Willmar Municipal Utilities for its contributions to the community and to make its consumer-owners, policy makers, and employees more aware of its overall contributions to their well-being; and

BE IT FURTHER RESOLVED, that our community joins hands with more than 2,000 other public power systems in the United States that through local, community-ownership ensure cost-cutting service for electricity customers.

Dated this 12th day of September, 2016.

President

ATTEST:

Secretary