

**WILLMAR MUNICIPAL UTILITIES MINUTES**  
**MUNICIPAL UTILITIES AUDITORIUM**  
**OCTOBER 24, 2016**

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, October 24, 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: General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Power Production Supervisor Jon Folkedahl, Customer Service Supervisor Stacy Stien, Administrative Secretary Beth Mattheisen, Facilities/Purchasing Supervisor Kevin Marti, Power Resources Analyst Michelle Marotzke, City Attorney Robert Scott, City Councilman Shawn Mueske, State Representative Dave Baker, MMUA Government Relations Director Bill Black, 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 Laumer offered a resolution to approve the Consent Agenda as presented. Commissioner Nagel seconded.

**RESOLUTION NO. 49**

“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 October 10, 2016 Commission meeting;
- ❖ Bills represented by vouchers No. 161898 to No. 161986 and associated wire transfers inclusive in the amount of \$2,334,056.59.

Dated this 24<sup>th</sup> day of October, 2016.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

Government Relations Director Bill Black was on hand to present State Rep. Dave Baker with MMUA’s Public Service Award (plaque). This award is given to a local, state, or federal elected or appointed officer who has been a strong supporter of MMUA and its members (municipalities). Black noted that through Rep. Baker’s involvement and contributions to various public services, he exemplifies his commitment to the value and principles supported by MMUA and its member utilities. Rep. Baker graciously accepted the award and acknowledged his dedication and support of MMUA, and his appreciation for the knowledge he gained while serving as a member of the WMU Commission.

Rep. Dave Baker next expressed his enthusiasm for an area destination playground being proposed on Robbins Island. A PowerPoint presentation was given of the future playground area. Baker informed the Commission that no public money would be used for the construction of the park, but

the City would provide the park land and would be responsible for the long-term maintenance. The total cost of the 15,000-20,000 square-foot playground complex is estimated to be between \$700,000-\$800,000. This money would be raised through private donations from individuals, businesses, and organizations. In an effort to assist with the fundraising, Rep. Baker presented the Commission with a request for assistance in the manner of fee/charge waivers or assistance (“in-kind donation”). Following the presentation, it was the consensus of the Commission to recommend that the WMU Planning Committee address this issue at their next meeting.

Director of Finance Runge reviewed with the Commission the proposals submitted to provide audit services for the 2016-2018 WMU financial audits. Two proposals had been submitted to provide the required financial services. Following discussion, Commissioner Laumer offered a resolution to approve the proposal submitted by Conway, Deuth & Schmiesing, PLLP, to conduct the 2016-2018 financial audits of the Willmar Municipal Utilities. Commissioner Mattern seconded.

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

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the proposed three-year agreement with Conway, Deuth & Schmiesing, PLLP, to conduct the WMU audit services in the amounts of \$18,000 for the year 2016, \$18,000 for the year 2017, and \$18,000 for the year 2018 be approved.”

Dated this 24<sup>th</sup> day of October, 2016.

---

President

ATTEST:

---

Secretary

The foregoing resolution was adopted by a vote of six ayes and one nay (Nagel).

Customer Service Supervisor Stien presented the Commission with a requested to approve the Advanced Metering Infrastructure (AMI) Agreement with Sensus USA, Inc. Stien presented background information on WMU’s meter reading system and the future cost savings to be attained with the completion of the project. The AMI would provide the WMU and its customers with advanced Sensus end points, along with stronger security and more flexible, dependable and reliable network metering solutions. This will allow WMU staff to assist customers in identifying solutions to better manage energy efficiency and water conservation for future growth and development. This ten-year agreement would begin the second phase of the Sensus software implementation at a cost of \$148,000. Following discussion, Commissioner Gimse offered a resolution to approve the AMI Agreement with Sensus in the amount of \$148,000 to begin the second phase of the metering project. Commissioner Mahboub seconded.

#### **RESOLUTION NO. 51**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the ten-year Advanced Metering Instructure Agreement between Willmar Municipal Utilities and Sensus USA, Inc., be approved in the amount of \$148,000 to provide software headend equipment and technical support for the second phase of the metering project (software implementation).”

Dated this 24<sup>th</sup> day of October, 2016.

---

President

ATTEST:

---

Secretary

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

Facilities/Purchasing Supervisor Marti presented the Commission with a status review of current lease agreements (15) between WMU and BNSF Railway and its lease holders Railroad Management and JLL. Marti provide further data on the particulars (descriptions, payment amounts, etc.) of each lease as they relate to specific MN Statutes.

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

1. August 2016 Power Supply Report (Power Resources Analyst Marotzke)
2. September 2016 Wind Turbine Report (Power Production Supervisor Folkedahl)

Power Supply Manager Carlson opened discussion with the Commission on the topic of Energy Acquisition Adjustment (EAA). WMU has a policy for implementing an Energy Acquisition Adjustment. The EAA is designed to cover the monthly variable costs of power supply. When variable costs exceed 5.2¢, an EAA should be implemented. To reduce the number of times we need to implement an EAA, a bandwidth is used of \$1M plus or minus. Variable costs include Power Supply, Transmission Expense, Transmission Revenues and specific Plant Production Operation accounts. It is the intent of Staff to further review the details of the policy with the WMU Planning Committee at their next meeting. Carlson noted that the last implementation of EAA took place in January 2009.

For information: Upcoming meetings/events to note include:

- WMU Planning Committee meeting – TBD (1<sup>st</sup> or 2<sup>nd</sup> week in November)
  - Operations Policy review/update
  - Priam Substation Project
  - Building Project update
  - Fee/Charge Waiver Policy discussion (Robbins Island)
  - Energy Acquisition Adjustment (EAA)
  - General Manager - Goals & Expectations
- WMU Labor Committee meeting – TBD (1<sup>st</sup> or 2<sup>nd</sup> week in November)
  - Labor policy review/update
  - Union work hours
  - Non-union wages
  - General Manager – Goals & Expectations
- 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 Mattern seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 12:42 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

---

Beth Mattheisen  
Administrative Secretary

ATTEST:

---

Jeff Nagel, Secretary