

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
DECEMBER 26, 2017

The Municipal Utilities Commission met in its regular meeting on Tuesday, December 26, 2017 at 11:45 a.m. in the Municipal Utilities Auditorium with Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Bruce DeBlieck and Ross Magnuson. Absent was Commissioner Nathan Weber.

Others present at the meeting were: General Manager John Harren, Power Supply Manager Chris Carlson, Facilities/Purchasing Supervisor Kevin Marti, Information Systems (IS) Coordinator Mike Sangren, Staff Electrical Engineer Jeron Smith, Power Resources Analyst Michelle Marotzke, Compliance Officer & HR Administrator Janell Johnson, Administrative Secretary Beth Mattheisen, Water & Heating Supervisor Joel Braegelman, Energy Services/Marketing Rep Mary Kosbab, City Councilmember Shawn Mueske, and City Attorney Robert Scott (via teleconference)

Upon the request of Commission President Laumer, Commissioner Mattern (Vice President) was appointed to preside over today's meeting. Commissioner Mattern opened the meeting by requesting 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 presented. Commissioner DeBlieck seconded.

RESOLUTION NO. 47

"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 December 11, 2017 Commission meeting; and,
- ❖ Bills represented by vouchers No. 172129 to No. 172220 and associated wire transfers inclusive in the amount of \$7,530,159.00.

Dated this 26th day of December, 2017.

Vice President

Attest:

Secretary

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

Commissioner Magnuson reviewed with the Commission the minutes from the December 11th WMU Labor Committee meeting (see attached). Agenda items included: 1) non-union wage adjustment; 2) General Manager wage adjustment; 3) Personnel Policies updates; 4) MUC Self-Evaluations; and, 5) Commissioner orientation & annual "Commissioner #101" review. Following review and discussion, Commissioner Laumer offered a motion to approve the minutes of the December 11th WMU Labor Committee meeting as presented. Commissioner Mahboub seconded the motion which carried by a vote of five ayes and zero nays.

Commissioner Magnuson next reviewed with the Commission the minutes from the December 22nd WMU Labor Committee meeting (see attached). The main topic of discussion focused on the General Manager's performance review and to consider a wage adjustment for the position. Following review of the minutes, Commissioner Magnuson offered a motion to approve the minutes of the December 22nd WMU Labor Committee meeting as presented. Commissioner DeBlieck seconded the motion which carried by a vote of five ayes and zero nays.

In conjunction with the minutes of the Labor Committee meetings, three separate items were presented to the Commission for consideration and approval. The first item to be recommended for action by the Labor Committee was to approve a wage adjustment for the non-union employees beginning January 1, 2018. It was noted that the non-union wage adjustment would exclude the General Manager position. Following discussion, Commissioner DeBlieck offered a resolution to approve a 2.5% wage increase for all non-union employees (excluding the General Manager) effective January 1, 2018 while incorporating a change in health insurance coverage to Health Partners. Commissioner Mahboub seconded.

RESOLUTION NO. 48

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that a 2.5% wage increase be implemented for all WMU non-union employees (excluding the General Manager position) and to incorporate the change in health care provider to Health Partners effective January 1, 2018."

Dated this 26th day of December, 2017.

Vice President

ATTEST:

Secretary

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

The second item being presented to the Commission for approval was the updated Personnel Policies. As part of the annual review of Personnel Policies, the Labor Committee had reviewed a number of policies requiring updates along with two new policies. The new policies were a Dress Code Policy and a Fraud Policy. Attorney Scott had been requested to review and provide input regarding proposed Dress Code Policy. Following input by legal counsel, it was the recommendation of the Labor Committee to approve the proposed updates as presented. Following discussion, Commissioner Mahboub offered resolution to approve the updated and newly created Personnel Policies as presented. Commissioner Magnuson seconded.

RESOLUTION NO. 49

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the updated Personnel Policies along with the inclusion of the newly created Dress Code Policy and Fraud Policy be approved and implemented as presented effective January 1, 2018."

Dated this 26th day of December, 2017.

Vice President

ATTEST:

Secretary

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

The third recommendation being presented to the Commission was consideration of a 2018 wage adjustment for General Manager Harren. The Labor Committee had conducted a performance review of the General Manager's position which included a review of goals previously established by the Commission (March 2017), along with 2018 newly-created goals. Following a favorable performance review, the Labor Committee was recommending a 2% wage adjustment to General Manager Harren's salary effective January 1, 2018. Following review, Commissioner Laumer offered a resolution to approve a 2% wage increase along with the change in health care provider effective January 1, 2018 for General Manager Harren. Commissioner Magnuson seconded.

RESOLUTION NO. 50

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that a 2% wage increase be implemented for General Manager John Harren and to incorporate the change in health care provider to Health Partners effective January 1, 2018."

Dated this 26th day of December, 2017.

Vice President

ATTEST:

Secretary

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

Commissioner Mattern (PC Chair) reviewed with the Commission the minutes from the December 15th WMU Planning Committee meeting (see attached). Topics of discussion included: 1) power supply options; 2) diesel generators; 3) Water System modeling; 4) "town hall" style meeting; 5) disconnection notice verbiage; 6) David Turch & Associates services; and, 7) WMU/City MOA update. Following discussion, Commissioner Mattern offered a motion to approve the minutes of the December 15th WMU Planning Committee meeting as presented. Commissioner Mahboub seconded the motion which carried by a vote of five ayes and zero nays.

Related to the WMU Planning Committee meeting, a number of issues were further presented to the Commission for their input. The first item presented was a request to issue a Request for Proposal (RFP) to conduct updates on the diesel generator units. These modifications are required to bring the diesel generators into compliance with the National Emissions Standards for Hazardous Air Pollutants (NESHAP) regulations. It was noted that the diesel generators would remain in their present containers and not be moved into a building as previously considered. Following review, Commissioner Mattern offered a motion to authorize the issuance of an RFP to perform the updates to the diesel generators to bring the units compliant with NESHAP regulations. Commissioner Mahboub seconded the motion which carried by a vote of five ayes and zero nays.

The Commission was next requested to authorize an update to the Burns & McDonnell Engineering agreement (WMU Water Master Plan) updating Willmar's water main modeling. The water main modeling will assist in determining appropriate water main sizing along with their impact on Willmar's current water system and future developments. It is further recommended by staff to conduct the summary review of the modeling annually (rather than every 10 or 20 years as in the past). To ensure that the future water needs of Willmar are met and to evaluate pending growth opportunities, Commissioner Mattern offered a resolution to approve the update to the water main modeling agreement with Burns & McDonnell as presented. Commissioner Mahboub seconded.

RESOLUTION NO. 51

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the proposed update to the existing water main hydraulic modeling agreement (WMU Water Master Plan) with Burns & McDonnell Engineering be approved as presented with annual summary reviews to be conducted."

Dated this 26th day of December, 2017.

Vice President

ATTEST:

Secretary

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

Power Supply Manager Carlson presented the Commission with a presentation entitled Power Supply Cost Analysis (Model Comparisons). The PowerPoint presentation reflected data compiled by staff in modeling power supply options. The scope of work was adopted by the Planning Committee on July 22, 2016 to identify power supply options and the balance between generation and local reliability (Commission approved on July 25, 2016). The three power supply options identified were: 1) business as usual; 2) independent; or, 3) join a Joint Action Agency (JAA). Carlson noted that with the decommissioning of the district heating scheduled for 2020 (July 1st), the models do not contain the heating requirements. A summary of the three options was presented.

The presentation illustrated annual cost comparison options at year 10 with current purchase power agreements (purchase power contracts expire in 2025 & 2033) were discussed. Summaries of each option were presented which include:

- Business as Usual:
 - Progressively expensive
 - Does not address aging equipment
 - Does not provide ancillary benefits
- Independent:
 - WMU bears cost of generation
 - Local control of all decisions
 - Limited generation & capacity (diesel units only, 12 MW)
 - Continued costs of consultants & industry membership fees
 - Does not allow for ancillary benefits in other areas
- Joint Action Agency:
 - Allows socialized division of expenses for economies of scale

- Stability of rates
- Eliminates some of the consultants & membership fees
- Potential reimbursement & capacity credit for new generation
- Provides ancillary benefits (i.e. training, marketing, energy services, training planning)

Staff continued by presenting a comparison summary which entailed the pros and cons for remaining independent vs. becoming a member of a JAA. Positive effects of pooling together with other utilities as members of a JAA include assistance in strategic planning and power supply services, access to cost-shared services, minimize cost-shared risks, and maintain stable and competitive rates. A listing of ancillary services which are currently paid by the Utility was presented (annual cost of approx. \$750,000). As a member of a JAA, these service expenses (or a large majority of them) would no longer be required by the Utility. These are services which are provided to members along with the invaluable industry expertise that a JAA would provide to its members. Following discussion, Commissioner Laumer offered a motion to direct staff to confirm the assumptions in the model, report the findings back to the Commission, and to continue pursuit of becoming a member of a JAA. Commissioner DeBlieck seconded the motion which carried by a vote of five ayes and zero nays.

Facilities/Purchasing Supervisor Marti and Power Resources Analyst Marotzke presented the Commission with the updated SWOT Analysis (SWOT: strengths, weaknesses, opportunities & threats). The SWOT Analysis is intended to be a living document that guides WMU in tasks needed to complete Strategic Planning goals. Staff informed the Commission that a new process for reviewing the living document will begin in January (2018). Staff will provide monthly updates at the second MUC meeting and focus on individual SWOT subjects/categories (Power Supply; Operations; Financial; Facilities; Customer Service; and, Organization).

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

- 1) November 2017 Financial Reports (General Manager Harren)
- 2) November 2017 Wind Turbine Report (Staff Electrical Engineer Smith)

For information: Upcoming meetings/events to note include:

- 2018 APPA Legislative Rally – Feb. 26-28 (Washington, DC) – (Harren, Laumer & Mahboub)
- 2018 APPA National Conference – June 15-20 (New Orleans, LA)

There being no further business to come before the Commission, Commissioner Mahboub offered a motion to adjourn the meeting. Commissioner Magnuson seconded the motion which carried, and the meeting was adjourned at 1:13 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
WMU Labor Committee Meeting Minutes
Monday, December 11, 2017
12:40 p.m.

Attendees: Commissioners Carol Laumer, Nathan Weber & Ross Magnuson, General Manager John Harren, Director of Finance Denise Runge, Compliance Officer/HR Administrator Janell Johnson, and Administrative Secretary Beth Mattheisen.

Committee Laumer (Chair) called the meeting to order at 12:40 p.m.

AGENDA ITEMS:

➤ **Non-union wage adjustment:**

General Manager Harren and Compliance Officer/HR Administrator Johnson opened discussion with the Labor Committee regarding a wage adjustment for the non-union employees. Harren reminded the Committee that a three-year wage adjustment for union employees had been formally approved by the Commission on November 13th which included a 2.5% wage adjustment for 2018. One notable revision effecting all non-union employee would be a change in health insurance provider (from Blue Cross/Blue Shield to Health Partners). Staff requested the Committee to consider a 2.5% wage adjustment for 2018 as well as the proposed change in health insurance provider.

Following discussion, Commissioner Laumer made a motion to recommend approval of a 2.5% wage adjustment along with the change in health insurance provider to Health Partners for the non-union employees for the year 2018. Commissioner Weber seconded the motion which carried by a votes of three ayes and zero nays.

Action:

Recommendation to approve the non-union wage adjustment will be presented to the Commission at the December 26th MUC Meeting.

➤ **General Manager wage adjustment:**

Discussion was held for consideration of a 2018 wage adjustment for General Manager Harren (last wage adjustment was in April). A performance review of the position will be conducted to assist in assessing management/leadership performance and to review previously established and future goals. Upon Harren's acceptance of the General Manager position (Nov. 2016), performance reviews have been conducted periodically at 6-month, 6-month, and 12-month intervals.

Following discussion, Commissioner Magnuson offered a motion to table the wage adjustment for the General Manager position at this time, and to combine the year-end performance review and wage adjustment at the next Labor Committee (scheduled for Dec. 22nd @ 11:15 a.m.). The recommendation will then be presented to the Commission for approval consideration at the December 26th MUC meeting.

➤ **Personnel Policies updates:**

As part of the annual review of Personnel Policies, Compliance Officer/HR Administrator Johnson presented the Committee with a number of polices requiring updates and approval,

including 2 newly created policies. The following policies were introduced for discussion & review:

- New Policies
 - a. Cover page template
 - b. Dress Code Policy draft
 - c. Fraud Policy draft
- Updated Policies with language changes
 - a. Cell Phone Policy
 - b. Clothing Purchased Practices
 - c. FLMA Policy
 - d. Information Technology Policy
 - e. Table Policy
 - f. Personnel Policy
- Policies reviewed with no language changes
 - a. Data Practices for Data Subjects Policy
 - b. Data Practices for Public Requests
 - c. HIPAA Privacy Practice Policy
 - d. MN Government Data Practices Act Comprehensive Policy
 - e. PTO Donation Policy
 - f. Securing Not Public Data Policy
 - g. Workers Compensation Policy
 - h. Identify Theft Prevention Program Policy

Following a review of the policies, it was the directive of the Committee to seek legal counsel input prior to the acceptance of the proposed Dress Code Policy. Johnson will submit the document to Attorney Robert Scott for his review and comments.

Following review and discussion, Commissioner Laumer offered a motion to approve all of the listed personnel policies as presented with the exception of the newly created Dress Code Policy which will be forwarded to legal counsel for input. All policies will then be presented to the Commission for approval. Commissioner Magnuson seconded the motion which carried by a vote of three ayes and zero nays.

➤ **MUC Self-Evaluation Survey:**

The Labor Committee briefly reviewed the results of the recently conducted MUC Self-Evaluation Survey. The purpose of the survey was to assist in understanding roles & responsibilities, provide orientation for new members, address board conflicts, clarify member expectations, identify priorities, strengths & weaknesses, and determine areas for improvement in board performance. The Committee requested staff to forward the results to the full Commission for their review and input. It was the consensus of the Labor Committee to conduct a work session to address areas of concern and to develop an action plan to share with the Commission. A work session to discuss the “living” document will be tentatively held in January.

6) **New Commissioner orientation & annual “Commissioner #101” review/update:**

General Manager Harren requested input from the Committee on how best to prepare newly appointed Commissioners for their roles, duties and responsibilities while serving as a Commissioner. Committee members stated that incorporating a facilities tour at the same time as the General Manager’s informational session would be beneficial (during their first month as a Commissioner). It was further suggested that having another Commissioner serve as a “mentor” would also be advantageous.

The "Commissioner #101" is an annual review of educational information and training for new (and current) Commissioners. At this time, it was the consensus of the Committee to postpone the "Commissioner #101" until further discussions are held.

7) Miscellaneous:

General Manager Harren informed the Committee of a recent boiler incident which occurred at the Power Plant. Follow up discussions are being held.

8) Adjournment:

There being no further business to come before the WMU Labor Committee, Commissioner Laumer declared the meeting adjourned at 2:45 p.m.



WILLMAR MUNICIPAL UTILITIES
WMU Labor Committee Meeting Minutes
Friday, December 22, 2017
11:15 a.m.

Attendees: Commissioners Carol Laumer, Nathan Weber & Ross Magnuson, General Manager John Harren and Administrative Secretary Beth Mattheisen.

Committee Laumer (Chair) called the meeting to order at 11:15 a.m.

AGENDA ITEMS:

➤ **GM Performance Review & Wage adjustment consideration:**

Commissioner Laumer opened discussion with the Labor Committee by presenting a brief recap of the process involved in conducting periodic performance evaluation and progress report for the General Manager's position. General Manager Harren reviewed with the Committee the goals listing established by the Commission in March 2017. Harren provided a step-by-step review of each target goal along with the status of each project.

In addition to the original goals identified, Harren presented additional noteworthy tasks and events executed in 2017. Additional personnel issues addressed throughout the year were reviewed. Background information related to these issues were presented.

General Manager Harren continued by presenting a listing of 2018 goals and target projections for each item. A review of each task was reviewed. The Committee identified two additional areas to note; 1) financial goals (rate stability, cost containment, benchmarking, etc.); and 2) continue to promote & support safety in the workplace).

It was the consensus of the Labor Committee to meet mid-year to review the progress of the goals created.

Action/Recommendation:

Following review & discussion, Commissioner Weber offered a motion to recommend to the Commission to accept the 2018 goals as presented with the inclusion of the recommendations of the Labor Committee. It was further recommended that based on the favorable approval of Mr. Harren's performance experience, that a 2% wage increase be approved effective January 1, 2018. Commissioner Magnuson seconded the motion which carried by a vote of three ayes and zero nays.

➤ **Miscellaneous:**

General Manager Harren updated the Labor Committee on current personnel issues.

➤ **Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Laumer declared the meeting adjourned at 12:11 p.m.



WILLMAR MUNICIPAL UTILITIES

WMU PLANNING COMMITTEE MEETING MINUTES

Friday, December 15, 2017 - 12:00 p.m.

WMU Conference Room

Present: Commissioners Justin Mattern, Bruce DeBlicke and Abdirizak Mahboub, General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Power Production Supervisor Jon Folkedahl, Staff Electrical Engineer Jeron Smith, and Administrative Secretary Beth Mattheisen.

Commissioner Mattern (Chair) called the meeting to order at 11:56 a.m.

AGENDA ITEMS:

➤ **Power Supply Options:**

General Manager Harren informed the Committee that staff has compiled data reflected in modeling for power supply options discussion. Power Supply Manager Carlson reviewed with the Committee the model results. Scope of the work was adopted by the Planning Committee on July 22, 2016 to identify power supply options and cost of generation for providing local reliability (Commission approval on July 25, 2016). The three options identified were: 1) business as usual; 2) remain independent; or, 3) join a joint action agency. Carlson noted that with the decommissioning of the DH scheduled for 2020 (July 1st), models created do not contain the DH requirements. A summary of the three options was presented.

Model results illustrating annual costs for a 10-year projection and current purchase power agreements (purchase power contracts expire in 2025 & 2033) were presented. Summaries of each option were:

- Business as Usual:
 - Progressively expensive
 - Does not address aging equipment
 - Does not provide ancillary benefits
- Independent:
 - WMU bears cost of generation
 - Local control of all decisions
 - Limited generation & capacity (only 12 MW from the diesel units)
 - Continued costs of consultants & industry membership fees
 - Does not allow for ancillary benefits in other areas
- Joint Action Agency:
 - Allows socialized division of expenses
 - Stability of rates
 - Eliminates some of the consultants & membership fees
 - Potential reimbursement & capacity credit for new generation
 - Provides ancillary benefits (i.e. training, marketing, energy services, training planning)

Staff is requesting directive from the Commission regarding which option would WMU prefer to pursue. Independent WMU retains control of all decisions whereas Joint Action Agency provides lower cost power and ancillary benefits. Harren continued by reviewing with the Committee data provided by the U.S. Energy Information Agency (EIA) illustrating the average kWh rates in various Minnesota cities and the ranking of utilities with a certain joint agency. The three divisions were: publicly-owned, investor-owned, and cooperative utilities. After the review, a brief outline of the process involved to become an agency member was discussed (i.e. determine actual buy-in cost).

Pros and cons of joining a joint action agency were discussed. Positive effects of joining include assistance in strategic planning and power supply services, access to cost-shared services, minimize cost-shared risks, and maintain stable and competitive rates. Is there an exit clause? Harren presented the exit transition process. Noted were that the current power supply contracts will continue and be fully phased out in 2033.

Maintaining local generation was briefly discussed. Staff will be presenting costs associated with generation following a decision regarding power supply. The current deadline to submit the application to MISO would be March 2018. Additional questions were raised by the Committee including: Would it be possible to continue running the Power Plant after joining an agency? (TBD) Is there an exit clause? (yes) Would a consultant be required to assist in developing the transition? (If the Commission felt it was warranted, we could.)

The Committee and General Manager Harren concurred that it would be beneficial to present the power supply options presentation (PowerPoint) to the Commission to provide a directive for the future of Willmar's power supply. Carlson noted that change in the ancillary benefits would be substantial (i.e. costs, expertise). The Committee was requesting staff to prepare a listing illustrating the pros and cons (including cost savings) of joining a joint action agency to be presented to the Commission for their review.

➤ **Diesel Generators:**

Power Production Supv. Folkedahl presented an update regarding WMU's diesel generators in relation to NESHAP compliance. Based on the National Emissions Standards for Hazardous Air Pollutants (NESHAP), WMU can operate their diesel generators as they are. However, MISO rules require those generators to be in NESHAP compliance in order to qualify for capacity credits. Ziegler CAT Power Systems can provide the compliance upgrades required. The upgrade is a new silencer that incorporates a diesel oxidation catalyst (DOC). The units would no longer need to be moved into a building as previously considered. The deadline for installation is May 31, 2018 (MISO established date). The cost from Ziegler would be \$65,000 per unit. Starting June 1st, MISO markets would require the update (capacity provider).

Following discussion, the Committee concurred to move forward with the installation project and recommend that the Commission to direct staff to proceed with bidding the project.

Power Production Supervisor Folkedahl departed the meeting at this time.

➤ **Water System modeling:**

Water/Heating Supervisor Braegelman presented an award recommendation to update the water main hydraulic model with Burns & McDonnell Engineering. Staff was also recommending to conduct the summary review annually (rather than every 10 or 20 years). This would provide advantages of getting the accurate data.

Following review, the Committee concurred to proceed as recommended.

➤ **Consider conducting "town hall" style meeting:**

The question was raised to the Committee if they felt a town hall style meeting would be something they would like to try. This type of meeting provides an opportunity for local citizens to discuss issues concerning utility-related topics with associates of the WMU (i.e. Commissioners, staff). It was noted that at the annual Open House this year, for the first time, the Commissioners participated in a Q&A-type booth/setting. This proved to be a positive interaction with the community members and will be continued as we move forward.

It was the recommendation of the Committee to bring this option to the Commission for input. Possibilities would also be to expand on the annual Open House or to conduct a town hall style meeting one time to determine the level of community interest.

➤ **Disconnection amount listing:**

Per directive of the Commission, Staff added language to the disconnection notice. Director of Finance Runge reviewed the proposed amended version (adding “up to \$450”). Disconnection costs were reviewed (i.e. staffing costs, etc.). The reasoning for the disconnection fees are to recover the costs involved in disconnecting the service. Runge presented an overview of the billing process. It was the recommendation of the Committee to forward the notice to Attorney Scott to review the verbiage.

General Manager Harren further reviewed with the Committee the steps and precautions related to the annual Cold Weather Rules which is in effect from October 15 to April 15.

➤ **David Turch & Associates:**

General Manager Harren and Commissioner Laumer met with David Turch on December 8th to review the status of services provided to the Utility and to consider the value of these services. Mr. Turch will appear before the Commission on January 22nd to address the matter. The Commission will then determine if they desire to continue the association with the government relations firm (currently \$30,000/year for their representation).

➤ **WMU/City MOA with the City:**

General Manager Harren informed the Committee on the status of the MOAs which the Commission & City Council had directed Harren and City Administrator Holland to develop. Following the adoption of the ordinance (Dec. 4th) to amend Utility rates, there is no longer a need for the MOA regarding the Intergovernmental Transfer.

The MOA related to water mains/fire hydrants continues to be worked on. It is the intent of the city to have the Utility will take over the water main replacement costs beginning in 2020. The City is requesting that the Utility also take over the upkeep and maintenance of the fire hydrants (for a fee). Staff has requesting data from the City regarding required personnel to conduct these services (number hours, etc.). The City is also questioning who would be responsible for the costs incurred for the Wye Project (not only the 25% as usual). Staff is anticipating to receive data from the Dept. of Transportation to assist in determining what the costs will actually be incurred with the Wye Project (estimate).

City staff has questioned the inclusion of the wastewater charges into the City Franchise Fee. Presently the city has an ordinance establishing the fee that WMU can charge. The fee will be reviewed with the next wastewater ordinance update.

➤ **Update of recent opportunity:**

General Manager Harren stated that recently MMUA had approached the Utility to look into the possible opportunity to provide service to a neighboring community. The community has tentatively opted to join the Kandiyohi Power Cooperative to meet their electric service needs.

➤ **Miscellaneous:**

General Manager Harren brought to the attention of the Committee the effects of the loss of reduction of staffing at the Power Plant. Boiler #3 will be operating during the winter months, and boiler #4 during the summer months.

Harren further stated that significant changes in the cost of power supply greatly effects the Utility's budget and EAA. The EAA continues to provide positive results. Updated budget and cash flow statements will be presented to the Commission incorporating the rate adjustment recently approved.

➤ **Adjournment:**

There being no further discussion to come before the WMU Planning Committee, Commissioner Mattern declared the meeting adjourned at 1:45 p.m.