

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
JUNE 26, 2017

The Municipal Utilities Commission met in its regular meeting on Monday, June 26, 2017 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Bruce DeBlieck, Ross Magnuson and Dan Holtz (arriving at 12:02 p.m.). Absent were Commissioners 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, Customer Service Supervisor Stacy Stien, Line Department Supervisor Todd Graves, Compliance Officer/HR Administrator Janell Johnson, Administrative Secretary Beth Mattheisen, Water & Heating Supervisor Joel Braegelman, Facilities/Purchasing Supervisor Kevin Marti, Energy Services/Marketing Rep Mary Kosbab, Project Assistant Kim Wesbur, City Councilmember Shawn Mueske and City Attorney Robert Scott (via teleconference).

Due to the absence of Secretary Mahboub, Commission President Laumer appointed Commissioner DeBlieck to serve as Acting Secretary. President Laumer proceeded to request the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner DeBlieck offered a resolution to approve the Consent Agenda as presented. Commissioner Magnuson 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 June 12, 2017 Commission meeting; and,
- ❖ Bills represented by vouchers No. 170970 to No. 171130 and associated wire transfers inclusive in the amount of \$2,064,486.47.

Dated this 26th day of June, 2017.

President

Attest:

Acting Secretary

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

General Manager Harren presented the Commission with a progress report regarding the impending decommissioning of the district heating system. At their June 19th meeting, the City Council concurred with the Commission and approved a resolution to discontinue the district heating system effective July 1, 2020. The City Council also approved a resolution establishing a financial assistance program to aid heating customers with their conversion to a 100% electric heating system. Harren further stated that required documentation has been submitted to DEED (Dept. of Employment & Economic Development) to proceed with the decommissioning process.

Commissioner Mattern (Committee Chair) reviewed with the Commission the minutes from the June 22nd WMU Planning Committee meeting (see attached). The topics of discussion included: 1) SCADA System upgrade; 2) Priam Substation update; and, 3) employee safety training. Regarding the SCADA System upgrade, the Committee had requested Staff to gather additional information regarding the proposal submitted by Open Systems International Inc. (OSI). Staff shared this new information with the Commission. Following additional discussion, the Commission directed Staff to present the updated proposal from OSI (including hardware adjustments) to the Commission for approval consideration at the July 10th MUC meeting. Following discussion, Commissioner Mattern offered a motion to approve the minutes of the June 22nd WMU Planning Committee as presented. Commissioner DeBlicek seconded the motion that carried by a vote of four ayes and zero nays.

Related to the safety training issue, Compliance Officer/HR Administrator Johnson had presented the Committee with a complete overview of WMU's current employee safety training program. WMU has been under contract with MMUA since 2002 for safety training for the employees as well as JT&S (Jobs, Safety & Training) for the linemen. In an effort to reach a higher quality of training, Staff had been directed to contact Ridgewater College to research and discuss their Customized Training Program. Following evaluation of the current and proposed safety programs, it was the recommendation of the WMU Safety Committee to enter into a three-year contract with Ridgewater College to provide customized safety training for the WMU employees. It was noted that the proposed contract would provide more training hours and less cost than Willmar's current contract. Following discussion, Commissioner Magnuson offered a resolution to approve the three-year contract with Ridgewater College to provide comprehensive safety training for WMU's employees. Commissioner Mattern seconded.

RESOLUTION NO. 22

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the three-year contract (including a 30-day cancellation clause) with Ridgewater College to provide Customized Safety Training effective October 1, 2017, be approved as follows: Year 1 - \$18,900; Year 2 - \$19,845; and, Year 3 - \$20,838.00."

Dated this 26th day of June, 2017.

President

Attest:

Acting Secretary

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

Power Supply Manager Carlson presented the Commission with an Energy Acquisition Adjustment (EAA) update which included actual costs and kwh's through April 2017. In an effort to assist in the recovery of power supply expenses, the Commission approved the use of the EAA on November 14, 2016 which has been utilized on a monthly basis since December 2016.

Line Department Supervisor Graves reviewed with the Commission the recent power outage which occurred on June 11th beginning at 7:14 a.m. As stated in the WMU Reliability Standards/Annual Reliability Performance Report, if there is any major service interruption affecting 500 or more

customers for one or more hours, a report of the incident will be given to the Municipal Utilities Commission. High winds toppled ten poles along County Road 5 west of Ridgewater College. Graves presented a review of the incident including the restoration process and rebuilding of the line. (Graves had presented a brief description of the outage at the June 12th MUC meeting). This outage area affected approximately 600 customers with a total customer outage time calculation of 1835.2 hours. During the same storm, strong winds pushed a tree onto a pole causing a breaker to trip out at the Southwest Substation. This took out the distribution system serving 121 customers including the main Jennie-O plant from 7:15 a.m. to 9:13 a.m. (118 minutes).

Electrical Engineer Smith presented to the Commission the May 2017 Wind Turbine Report. This report included monthly and yearly production reports.

Commissioner Laumer presented a recap of her recent attendance at the APPA National Conference held in Orlando, Florida. Among the informative topics addressed were: 1) leadership in a crisis; 2) electric markets; 3) federal legislative updates; 4) cybersecurity; 5) value of reliability; 6) environmental regulations; 6) promoting public power; and, 7) technology opportunities & challenges. Following the review, Commissioner Laumer expressed her appreciation to the Commission for allowing her the opportunity to attend and represent the Willmar Municipal Utilities on its behalf. (Note: A more detailed report of Commissioner Laumer's attendance will be shared with her fellow Commissioners.)

(Commissioner Mattern departed the meeting at 12:21 p.m.)

General Manager Harren informed the Commission that Representative Collin Peterson has agreed to sign on to the letter opposing the privatization of PMA transmission lines (joining Senators Klobuchar & Franken). This matter concerned the possible sale of Western Area Power Administration's (WAPA) assets which would have a direct impact on our municipal electric community and our rate-payers.

General Manager Harren informed the Commission that the recently approved 2017 SWOT Analysis including action items has been downloaded to the iPads.

Commissioner Laumer informed the Commission that an Employee Recognition & RP3 Diamond Designation (APPA) luncheon will be held on Thursday, June 29th from 12:00-1:00 p.m. at the WMU Service Center. Laumer noted that the employees being recognized for years of service milestones include: 1) Chris Carlson (10 yrs.); 2) Brian Hoover (20 yrs.); 3) Tom Leenstra (20 yrs.); 4) Gwen Lipinski (30 yrs.); 5) Joel Ruter (35 yrs.); 6) Nancy Lohn (40 yrs.) and, 7) Lois Nelson (40 yrs.). All employees and Commissioners are encouraged to attend.

General Manager Harren reminded the Commission that a meeting of the WMU Planning Committee will be held on June 30th (12:00 p.m.). The main topic of discussion will be a review of the preliminary design for the Water Treatment Plant (Carollo Engineer Vincent Hart will be in attendance).

For information: Upcoming meetings/events to note include:

- Employee Recognition & RP3 Diamond Designation luncheon – June 29 @ 12:00 p.m.
- MUC Planning Committee Meeting – June 30 @ 12:00 p.m.
- APPA Webinar Series: Public Utility Governance & Electric Utility 101 (1:00-2:30 p.m. in the WMU Conference Room)
 - Board-Driven Performance Evaluation: Governance & Management – July 5

- MMUA Summer Conference – August 21-23 (Madden’s Resort – Brainerd)
- Public Power Week – Oct. 1-7
 - Annual WMU Open House – Oct. 3rd @ Willmar Civic Center (4:30-6:00 p.m.)

There being no further business to come before the Commission, Commissioner Laumer offered a motion to adjourn the meeting. Commissioner DeBlieck seconded the motion which carried, and the meeting was adjourned at 12:31 p.m. by a vote of four ayes and zero nays.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Bruce DeBlieck, Acting Secretary



WILLMAR MUNICIPAL UTILITIES
WMU PLANNING COMMITTEE MEETING MINUTES
Thursday, June 22, 2017-12:00 p.m.
WMU Conference Room

Present: Commissioners Justin Mattern, Abdirizak Mahboub & Bruce DeBlieck, General Manager John Harren, Director of Finance Denise Runge, Electrical Engineer Jeron Smith, Compliance/Safety Officer/HR Supervisor Janell Johnson, and Administrative Secretary Beth Mattheisen.

Commissioner Mattern (Chair) called the meeting to order at 12:02 p.m.

AGENDA ITEM(S):

➤ **SCADA System update:**

Electrical Engineer Smith presented the Committee with an overview of the Supervisory Control & Data Acquisition (SCADA) System which is on a five-year upgrade schedule. (The last upgrade was conducted in 2012.) WMU received a quote from Open Systems International (OSI) to provide the system upgrade. OSI provides automation solutions for real-time and production management for utility operational functions (electric, gas, water, etc.). A base quote was received from OSI along with four additional options for consideration. A review of the quote along with a detailed listing of the components were presented for discussion.

Action/Recommendation:

Per Committee directive, Staff will contact OSI for additional information regarding the quote and will share this data with the full Commission at the June 26th MUC meeting. At the meeting, the Commission will be asked to approve the contract with OSI to conduct the upgrade.

It was the recommendation of Staff to accept the base bid (\$98,047.60) from OSI for the SCADA System upgrade along with Option #4 (\$1,720.00) for training of 2 people for a total contract price of \$99,767.60. (Note: \$110,000 has been budgeted for the upgrade.)

➤ **Priam Substation Update:**

Electrical Engineer Smith provided the Committee with an update of the Priam Substation Project. DGR Engineering has completed the preliminary design for the substation. A project kickoff meeting has been scheduled for Wed., July 12th (10:00-3:00 p.m.) to review the draft design and construction plans for the proposed substation. In addition to WMU Staff, reps from GRE, Xcel and DGR will be in attendance. WMU will coordinate with Xcel to proceed with obtaining the necessary permits as required. A target date for energizing/commissioning of the substation has been set for June 2019. Requirements for the financing of the Priam Substation Project will be further discussed at a future date.

➤ **Safety Training:**

Compliance/Safety Officer/HR Supervisor Johnson presented the MUC Planning Committee with background data related to WMU's current employee safety training. WMU has been under contract with MMUA since 2002 to provide the employee training along with the Jobs, Safety & Training program (JT&S for the linemen). In an effort to improve the quality of employee safety training, the WMU Safety Committee determined that additional organizations/options needed to be explored to provide this service. Note: MMUA has been contacted regarding the past and future direction of their safety program.

Under the direction of the WMU Safety Committee, Johnson contacted Ridgewater College to discuss their Customized Training Program. The program Ridgewater was recommending included more hand on/onsite training, specific supervisor training, more complete training, and inspections. Ridgewater has put together a program specifically for WMU which will include highly trained personnel to conduct the employee safety training.

The Safety Committee was requesting a three-year commitment from Ridgewater to establish a base program and to allow additions/modifications to the program as needed. WMU will also request a 30-day "out" should the Safety Committee feel their services aren't meeting WMU's expectations. Cost comparisons between the safety programs provided by MMUA and Ridgewater were reviewed.

It was the recommendation of the Safety Committee to enter into a three-year contract with Ridgewater College to provide Customized Training to attain a higher quality of safety training for its employees which will address specific training needs of the Utility. However, WMU will continue to participate with MMUA to conduct the required JT&S training. (It was further noted, that a July 1st decision deadline is needed to MMUA.)

Recommendation:

Following discussion, it was the consensus of the MUC Planning Committee to concur with the WMU Safety Committee's recommendation to enter into contract with Ridgewater College to provide the employee safety training. Commission approval will be requested at the June 26th MUC meeting.

➤ **Miscellaneous:**

The MUC Planning Committee requested a status report of the Storm Water Project (Power Plant area). General Manager Harren presented a brief update which included the completion of a fence in the Power Plant area. Environmental issues have been the driving force in the development of the project. Alleviating the minimal runoff of the coal pile was the main objective of the project. PCA will be informed of future developments related to this topic.

The next WMU Planning Committee meeting will be held June 30th (12:00 p.m.) with the main topic of discussion to focus on the Water Treatment Plant (preliminary design).

➤ **Adjournment:**

Following discussion, Commissioner Mahboub offered a motion to adjourn the meeting of the WMU Planning Committee. Commissioner DeBlicke seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero noes at 12:45 p.m.