

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
JANUARY 28, 2019

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, January 28, 2019 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Bruce DeBlieck and Ross Magnuson. Absent were Commissioners Nathan Weber and Brendan MacDonald.

Others present at the meeting were: General Manager John Harren, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Staff Electrical Engineer Jeron Smith, Line Department Supervisor Todd Graves, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), and WC Tribune Journalist Shelby Lindrud.

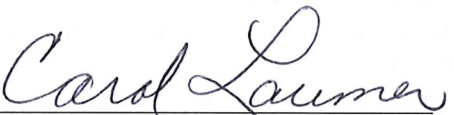
Commissioner Laumer (President) opened the meeting by asking if any revisions were required to the presented agenda. There being none, Commissioner Laumer continued by requesting a resolution to approve the Consent Agenda. Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented. Commissioner Magnuson seconded.

RESOLUTION NO. 3

“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 January 14, 2019 Commission meeting; and,
- ❖ Bills represented by vouchers No. 190089 to No. 190171 and associated wire transfers inclusive in the amount of \$2,585,764.47.

Dated this 28th day of January, 2019.



President

Attest:



Secretary

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

Director of Finance Denise Runge presented the Commission with the preliminary December 2018 Financial Reports along with a recap of the December 31, 2018 Investment Portfolio. The data presented included analyses of the Electric, Water, Heating and Combined Divisions. Information contained in the reports reflected operating revenues & expenses, operating income, and retained earnings. The Investment Portfolio presented a summary of WMU's securities and associated brokerage firms/agencies to date.

Staff Electrical Engineer Smith and Line Department Supervisor Graves presented the Commission with 2018 Engineering and Line Department Updates. The annual data presented was comprised of the following components: 1) Engineering Summary; 2) Line Department Summary; 3) Electric

Reliability Performance Report; and, 4) Electrical Distribution/Transmission Mileage Report. The Engineering and Line Department summaries contained status updates of capital projects, purchases, and underground construction along with their expenditures. Smith provided visual aids while presenting the progress reports of capital projects (i.e. Priam Substation, LCM Replacement, diesel generator upgrades, GIS, Priam T-Line Modifications).

The annual Electric Reliability Performance Report reflects an overview of the Utility's electrical outages (duration of outage, frequency, and customers effected) for the past year. Also included in the report are various system average indicators for comparison. Per national IEEE data, WMU received a 99.9984% ranking for the Average System Availability Index (ASAI) which indicates a very high percentage for availability of Willmar's electrical service. Various graphs were reviewed illustrating outage causes (i.e. electrical failure, animal/squirrels, construction, equipment damage, trees) and the duration of the identified causes.

The last report presented was the annual summary of electrical distribution and transmission line mileage. Mileage statistics for the Utility's transmission lines are as follows: 23.72 miles of overhead (69, 000 volt); .44 miles of underground (69,000 volt); and, 13.05 miles of overhead (230,000 volt), for a total of 37.21 electrical transmission miles. It was further noted that in an effort to provide efficient, cost-effective upgrades/modifications on projects effecting both the Utility and City, Staff strives to coordinate to the best of their ability with City Staff on these projects. Following the annual updates, Commissioner Laumer expressed her appreciation for the thorough presentation and staffing efforts of both the Engineering and Line Departments for their projects and achievements throughout the year.

General Manager Harren reviewed with the Commission the findings of the recently conducted 2018 MUC Self-Evaluation Survey. This was the second Self-Evaluation Survey conducted (first was in 2017) which aids in identifying roles and responsibilities of the Commission along with prioritizing future efforts. This survey consisted of 36 questions in the following categories: Commission Activity, Mission & Purpose, Governance & Partnership Alignment, Commission Organization, Commission Meetings, and Commission Membership. The evaluation has given Staff a greater understanding of how to best assist the Commissioners for successful oversight. The following is a summary review of the survey results:

- 1) Staff will include additional information/bullet points in the committee meeting minutes for more detail giving a clearer understanding of the items discussed in a manner that is understandable to the public.
- 2) Work sessions would be supported on the bigger and more complex projects for all to receive the project details and stay informed.
- 3) The Strategic Plan will be revised and the Commission focus will be on capital and long-term organizational items. Operational items will be removed and addressed at staff level.
- 4) Special items such as capital project expenditures will be identified on the monthly financial documents. Benchmarking items will be included in the audit. Segregation of duties are thoroughly reviewed annually by auditors.
- 5) Staff will continue to research and provide industry educational and event opportunities for Commissioners.
- 6) A formal succession plan for the General Manager will be developed.
- 7) Staff will assist the Commission in industry and project discussion and utilize this as an opportunity to provide additional information to the public.

General Manager Harren informed the Commission that he and Water/Heating Supervisor Braegelman had recently met with City Staff to continue discussions regarding costs associated

with the proposed Willmar Wye Project. The next step in the process will be for City staff to further discuss the issue with the City Public Works Committee. (WMU's Planning Committee will address the topic at their next scheduled meeting.)

General Manager Harren informed the Commission that the second MUC meeting in February will be held as originally scheduled on February 25th. (Consideration had been given to the possibility of rescheduling the meeting due to a conflict with the APPA Legislative Rally.)

General Manager Harren stated that a meeting of the WMU Planning Committee would be scheduled in the near future (TBD). Agenda items for the meeting would include: revenue neutrality update; generation study analysis; banking change; and Wye Project costs.

General Manager Harren informed the Commission that Meter Foreman Gary Faber will be retiring from his position with the Utility on Thursday, January 31st. Gary has been a valued employee of WMU since July 11, 1977 (41+ years). Congratulations & best wishes on your well-deserved retirement, Gary!

For information: Upcoming meetings/events to note include:

- 2019 MMUA Legislative Conference: January 29-30 (St. Paul)
- 2019 APPA Legislative Rally: February 25-27 (Washington, DC)
- 2019 MMUA Summer Conference – August 19-21 (Breezy Point)

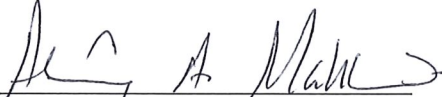
There being no further business to come before the Commission, Commissioner Laumer declared the meeting adjourned at 12:38 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES


Beth Mattheisen
Administrative Secretary

ATTEST:


Abdirizak Mahboub, Secretary

