

**WILLMAR MUNICIPAL UTILITIES MINUTES**  
**MUNICIPAL UTILITIES AUDITORIUM**  
**MARCH 11, 2019**

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

Others present at the meeting were: Director of Finance Denise Runge, Water/Heating Supervisor Joel Braegelman, Energy Services/Marketing Rep Michelle Marotzke, Compliance & HR Manager Janell Johnson, Staff Electrical Engineer Jeron Smith, Power Supply Manager Chris Carlson, Facilities & Maintenance Supervisor Kevin Marti, Customer Service Supervisor Stacy Stien, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), and WC Tribune Journalist Shelby Lindrud.

Commission President Laumer opened the meeting by asking if any revisions were needed 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 DeBlieck seconded.

**RESOLUTION NO. 7**

“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 February 25, 2019 Commission meeting; and,
- ❖ Bills represented by vouchers No. 190305 to No. 190396 and associated wire transfers inclusive in the amount of \$565,543.65.

Dated this 11<sup>th</sup> day of March, 2019.

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary

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

Commissioner Laumer expressed her appreciation to Commissioner Mattern for chairing the Planning Committee for the past four years, and looked forward to Commissioners DeBlieck (Chair) & MacDonald (Vice Chair) assuming the leadership positions for 2019. Commissioner DeBlieck (PC Chair) continued by reviewing with the Commission the minutes from the March 7<sup>th</sup> WMU Planning Committee meeting (see attached). The main topics of discussion included: 1) designation of Chair & Vice Chair positions; 2) MRES Membership & By-Law Agreements; 3) Willmar Wye Project cost sharing; and, 4) banking services. DeBlieck stated that the Committee was recommending that the Commission approve the MRES agreements and to approve the cost sharing with the City of Willmar for the water main improvements associated with the Wye Project (50/50 split). Following review and discussion, Commissioner DeBlieck offered a motion to approve the minutes of the March 7<sup>th</sup> WMU Planning Committee Meeting as presented. Commissioner Mattern seconded the motion which carried by a vote of seven ayes and zero noes.

In conjunction with the Planning Committee Meeting, the Commission was requested to consider approval of both the MRES Membership and the By-Laws Agreements. These documents provide the basic governance documentation for the agency and are being amended to reflect current laws, procedural practices, and to clarify authorities of the MRES Board. The proposed revisions will be considered by the MRES Board on March 14<sup>th</sup>. Following review and discussion, Commissioner Laumer offered a resolution to approve the MRES agreements as presented. Commissioner DeBlieck seconded.

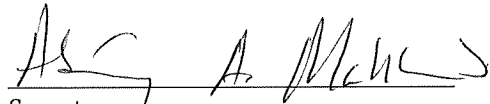
**RESOLUTION NO. 8**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the MRES Membership Agreement and By-Laws Agreement incorporating the proposed amendments be approved as presented pending approval of the MRES Board of Directors on March 14, 2019."

Dated this 11<sup>th</sup> day of March, 2019.

  
President

Attest:

  
Secretary

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

Commissioner Laumer next requested the Commission to consider approval of the proposed 50/50 cost-sharing split with the City of Willmar for the water main improvements portion for the proposed Willmar Wye Project. The total estimated bid ("as-is" bid) for the water main improvements (main replacements & additions) was in the amount of \$813,500. Therefore, the Utility's funding costs would be estimated at \$406,750 (50/50 split). Following review and discussion, Commissioner Mahboub offered a resolution to concur with the City Council's approved resolution for the 50/50 cost sharing split for the Utility's water main improvement portion of the project. Commissioner DeBlieck seconded.

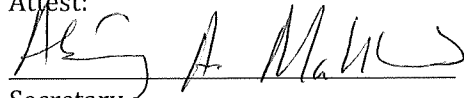
**RESOLUTION NO. 9**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Willmar Municipal Utilities does hereby approve the 50/50 cost-sharing split with the City of Willmar to fund the water main improvements portion of the proposed Willmar Wye Project. The total estimated cost responsibility of the Utility would be \$406,750."

Dated this 11<sup>th</sup> day of March, 2019.

  
President

Attest:

  
Secretary

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

In an effort to keep the Commission well-informed of departmental developments, projects and updates, staff members presented the following educational topics for review and discussion:

1. 2018 Water Department Summary (Water & Heating Supervisor Braegelman)
  - a. Annual Water Dept. Summary (i.e. water pumped data, peak day volume, etc.)
  - b. Water Department Project Updates (i.e. Water Treatment Plant, water mains, etc.)
  - c. Presented process to dismantle monitoring well (grant funding provided for the project)
2. 2018 Energy Services/Marketing and Safety Program Updates (Energy Services/Marketing Rep Marotzke)
  - a. Energy Services (rebate program, load control, etc.)
  - b. Marketing (public events, paperless billing, etc.)
  - c. Public Events (National Night Out, WMU/MMUA Scholarship Program, Open House)
  - d. Website activity and social media recap
  - e. Paperless billing (including credit promotion)
  - f. 2019 Activities (Home Show, scholarship program)
3. 2018 Safety Program
  - a. No lost time injuries for 2018 (to date: 828 days with no lost time injuries)
    - i. Direct reflection of WMU staff's initiative to achieve excellence
  - b. Improved walk-through inspections, and clothing policy in place.
  - c. First place award recipient of APPA's 2018 Safety Award of Excellence
  - d. 2019 Goals
4. 2018 NERC Compliance Activity Summary (Compliance & HR Manager Johnson)
  - a. Completed 3-year term on the MRO Compliance Committee representing the municipal sector. Johnson expressed her appreciation to the Commission for allowing her to serve on the Committee through which she acquired vast knowledge related to NERC compliance. Johnson further acknowledged Staff Electrical Engineer Smith for his assistance with recording and compliance certification.
  - b. Transition to MRES during 2019 will be an asset to achieving and maintaining compliance requirements.
  - c. WMU compliance responsibility for 2018 was for 18 Standards, 52 Requirements and 50+ Sub-requirements.
  - d. Reviewed quarterly compliance education & training conducted in 2018

Staff Electrical Engineer Smith presented the Commission with two bid award recommendations for 2019 Underground Construction. The construction contracts are for: 1) Annual Underground Construction; and, 2) Underground Single-Phase Replacement. Two bids for each project were received and opened on March 5, 2019. Following evaluation of the submitted bids, it was the recommendation of Staff to award the bids as follows:

- 1) 2019 Annual Underground Construction: Award to O & S Construction for their estimated total bid of \$216,102.50; and,
- 2) 2019 Underground Single-Phase Replacement: Award to Midwest Underground for their estimated total bid of \$111,775.00.

Following review and discussion, Commissioner MacDonald offered a resolution to approve the bid award for the 2019 Annual Underground Construction to O & S Construction for their estimated bid of \$216,102.50. Commissioner DeBlieck seconded.


#### **RESOLUTION NO. 10**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the contract for the 2019 Annual Underground Construction be awarded to O & S Construction of Bird Island, Minnesota, in the total estimated amount of \$216,102.50."

Dated this 11<sup>th</sup> day of March, 2019.

  
President

Attest:

  
Secretary

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

Commissioner MacDonald continued by offering a resolution to approve the 2019 Single-Phase Replacement to Midwest Underground of Willmar, Minnesota, in the total estimated amount of \$111,775.00. Commissioner Mattern seconded.

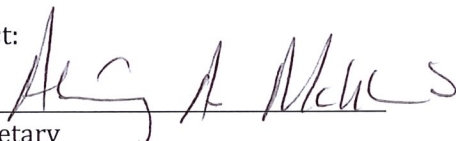
### RESOLUTION NO. 11

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the contract for the 2019 Single-Phase Replacement be awarded to Midwest Underground of Willmar, Minnesota, in the total estimated amount of \$111,775.00.”

Dated this 11<sup>th</sup> day of March, 2019.

  
President

Attest:

  
Secretary

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

Power Supply Manager Carlson reviewed with the Commission the WMU Cost of Power Report for January 2019. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the month (0.054 per kWh for January) which corresponds with the financial report for the same month (total cost/kWhs purchased and generated). Also reflected in the analysis is the total year-to-date cost, and total kWhs purchased and generated year-to-date.

Facilities & Maintenance Supervisor Marti presented the Commission with the February 2019 Wind Turbine Report. Turbine availabilities for the month of February were at 96.8% (Unit #3) and 99.9% (Unit #4) with a monthly total production of 484,162 kWh.

As a member of Missouri River Energy Services (MRES), the Utility is provided a monthly update from the MRES and Western Minnesota Municipal Power Agency (WMMPA) Board of Directors meeting. The video update provides a brief overview of the topics discussed by the Boards and the actions taken. At this time, the February 14<sup>th</sup> MRES and WMMPA Board of Directors Meeting update video was viewed.

Commissioners Laumer & DeBlieck and General Manager Harren recapped for the Commission their recent attendance at the 2019 APPA Legislative Rally held in Washington, DC, and reiterated the importance of attending these national (and state-sponsored) events which offer the opportunity to exchange ideas and express concerns related to various issues facing Willmar and the utility industry. Key discussions focused on: 1) support & improve tax-exempt financing (tax-exempt bonds); 2) preserve local pole attachment regulation; 3) reasonable & effective environmental regulation; and, 4) protecting the interests of WAPA customers (Western Area Power Administration). In conjunction with

the annual rally, Commissioner Laumer also attended a meeting of the APPA Policy Makers Council which she serves on. Laumer, DeBlicek and Harren concluded by expressing their appreciation to the Commission for allowing them the opportunity to attend the informative event and encouraged others to attend in the future.

General Manager Harren informed the Commission that a meeting of the WMU Labor Committee would be held immediately following today's regular MUC Meeting. Agenda items to be discussed include: 2019 Strategic Plan review (newly formatted), and staffing update.

General Manager Harren informed the Commission that additional WMU Committee meetings will be forthcoming in the near future. Agenda items for the next Planning Committee Meeting will include: Water Treatment Plant analysis; generation study analysis; and, rate study (electric & water). Agenda item(s) a future Labor Committee Meeting will include: succession planning for the General Manager position.

For information: Upcoming meetings/events to note include:

- APPA Electric 101 Webinar: "Understanding the Generation & Transmission Grid", March 8<sup>th</sup> @ 10:00 a.m. (WMU Office)
- MRES 101 (extended regular MUC mtg.) - May 13<sup>th</sup>
- 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 1:05 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

  
Beth Mattheisen  
Administrative Secretary

ATTEST:

  
Abdirizak Mahboub, Secretary



## WILLMAR MUNICIPAL UTILITIES

### WMU PLANNING COMMITTEE MEETING MINUTES Thursday, March 7, 2019 – 12:00 p.m. WMU Conference Room

Present: Commissioners Justin Mattern, Bruce DeBlieck & Brendan MacDonald, General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Water & Heating Supervisor Joel Braegelman, and Administrative Secretary Beth Mattheisen.

Commissioner Mattern called the meeting to order at 12:03 p.m.

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#### AGENDA ITEM(S):

➤ **Establish Planning Committee Chair and Vice Chair Positions for 2019:**

Commissioner Mattern (2018 PC Chair) informed the Committee that of the need to designate Chair and Vice Chair positions for the Planning Committee for 2019. Commissioner Mattern offered a motion to designate Commissioner DeBlieck to serve as Chair and Commissioner MacDonald to serve as Vice Chair for the Planning Committee for 2019. Commissioner DeBlieck seconded the motion which carried by a vote of three ayes and zero nays.

➤ **MRES Agreements:**

Power Supply Manager Carlson informed the Committee of MRES's desire to update both their Membership Agreement and By-Laws. These documents are the basic governance documents of the agency. Since the documents have not been modified for a number of years, the proposed changes are intended so that their terms reflect current law and practice. The proposed amendments will correct conflicts between the two agreements, ensure consistency of the agreements with current practice, and clarify authorities of the Board. The proposed changes will be considered by the MRES Board on March 14<sup>th</sup>. If approved, MRES will send a notice to all members. If any member (such as WMU) does not agree with the changes, you will have 15 days to request a referendum vote on the amendments. If 20% or more members desire a referendum vote, MRES will send a ballot to each member asking them to vote on the amendments. Carlson and General Manager Harren reviewed the proposed amendments to both the Membership Agreement and the By-Laws (redlined copies) for consideration. The following is a summary of the proposed changes:

- Define the specific number of Board seats to be allocated to each MRES member state;
- Authorize MRES to educate and advocate on behalf of MRES and its members on relevant matters;
- Permit the closing of a member meeting or Board meeting when permitted by applicable law;
- Provide for election by voice vote;
- Clarify the duration of committees, and to memorialize basic procedural rules for committees; and,
- Clarify the referendum process and timing for any proposed future amendments.

**Recommendation:**

Following review & discussion, Commissioner Mattern offered a motion to recommend that the Commission approve the proposed amendments to the MRES Membership Agreement and By-Laws once the final draft is provided contingent upon no additional revisions to the document. Commissioner MacDonald seconded the motion which carried by a vote of three ayes and zero nays. The recommendation will be presented to the Commission at the March 11<sup>th</sup> MUC meeting.

➤ **Willmar Wye Project – Cost Sharing:**

Water & Heating Supervisor Braegelman provided background information relating to the water main improvements (main replacements & additions) required for the proposed Willmar Wye Project. Braegelman continued by informing the Committee that at the February 19<sup>th</sup> City Council Meeting, the Council approved a 50/50 split with the Utility to cover the water main improvements portion of the Willmar Wye Project. Project costs consist of:

- Original project estimate: \$1.3 million
- As-is bid amount: \$813,500
- Estimated Utility cost responsibility (with 50/50 split): \$406,750

**Recommendation:**

Following review & discussion, Commissioner Mattern offered a motion to concur with the City Council's approved resolution and recommend Commission approval of the 50/50 split for the Utility's portion of the water main improvements of the proposed Willmar Wye Project in the amount of \$406,750. Commissioner MacDonald seconded the motion which carried by a vote of three ayes and zero nays.

➤ **RFP for Banking Services:**

Director of Finance Runge informed the Committee that the last analysis for banking services provided for the Utility was conducted in 2011. Therefore, it is the intent of Staff to issue an RFP for banking services. (Runge further noted that an RFP would be forthcoming later this year to provide audit services for the Utility.) Staff will proceed with issuing the RFP for banking services. This was for information only.

➤ **Miscellaneous:**

Reimbursement of legal costs: General Manager Harren provided the Committee with an update on the Utility's position to recoup for legal costs related to the Jon Folkedahl litigation case which judgement was rendered in the defendant's favor. Following review, it was determined that the Utility would no longer pursue the reimbursement costs associated with the case.

Generation update: Recently received a letter from MRES regarding generation and Harren provided a brief recap of the findings. WMU is continuing to compile data for options to address future generation. Scope of work adopted by the WMU identified 25% of local generation is to be considered as a component of the generation and transmission issues based on cost and reliability. Additional information should be received in approx. 6-8 weeks.

Diesel generators as related to the recent Polar Vortex: Due to the extreme conditions (cold), the Utility experienced the inability to run the units (gelling). A thorough review will be provided to the Commission once all the documentation associated with the recent issue has been received.

Priam Substation: Project continues to proceed and is on schedule.

➤ **Adjournment:**

There being no further discussion to come before the WMU Planning Committee, Commissioner Mattern offered a motion to adjourn the meeting. Commissioner MacDonald seconded the motion which carried by a vote of three ayes and zero nays, and the meeting was adjourned at 12:49 p.m.

