

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
MAY 13, 2019

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, May 13, 2019 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Nathan Weber, Ross Magnuson, Bruce DeBlieck and Brendan MacDonald.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Staff Electrical Engineer Jeron Smith, Water & Heating Supervisor Joel Braegelman, Facilities & Maintenance Supervisor Kevin Marti, SI Coordinator Mike Sangren, City Councilman Shawn Mueske, City Attorney Robert Scott (via teleconference), WC Tribune Journalist Shelby Lindrud, and MRES Director of Member Services & Communications Joni Livingston.

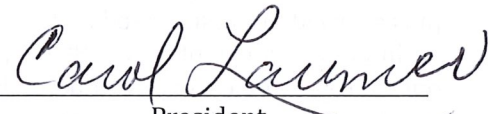
Commission President Laumer opened the meeting by asking if any revisions were needed to the presented agenda. There being none, Commissioner Laumer continued by requesting a resolution to approve the Consent Agenda. Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented.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

RESOLUTION NO. 17

“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 April 22, 2019 Commission meeting; and,
- ❖ Bills represented by vouchers No. 190607 to No. 190715 and associated wire transfers inclusive in the amount of \$900,978.07.

Dated this 13th day of May, 2019.



President

Attest:



Secretary

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

Commissioner Weber (LC Chair) reviewed with the Commission the April 22nd MUC Work Session minutes (see attached). The purpose of the Work Session was to thoroughly review the newly developed WMU Strategic Plan. To better reflect the contents of the document, the “Strategic Plan” has been renamed to “Strategic Initiatives”. The Strategic Initiatives will be utilized as a planning tool with timelines and goals added to form a true Strategic Plan to provide a vision for the future of the Utility. Following review and discussion, Commissioner Weber offered a motion to approve the minutes of the April 22nd MUC Work Session as presented. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

In conjunction with the MUC Work Session, the Commission was requested to approve the WMU Strategic Initiatives as presented. The Strategic Initiatives listing was developed using a SWOT-style analysis (Strengths, Weaknesses, Opportunities, and Threats) to assist in providing alignment of the goals and timelines of the WMU Strategic Plan (living document). The six subjects addressed in the Strategic Initiatives are: Admin & Operations Buildings; Financial Position; Generation: Gas/Diesel & Power Plant; Generation: Renewable Energy; Substations/Transmission; and, Water Treatment Plant. Following review, Commissioner Weber offered a resolution to approve the WMU Strategic Initiatives as presented. Commissioner Mahboub seconded.

RESOLUTION NO. 18

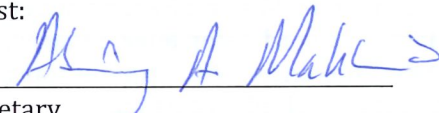
“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the 2019 Willmar Municipal Utilities Strategic Initiatives be approved as presented.”

Dated this 13th day of May, 2019.



President

Attest:



Secretary

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

Commissioner Weber (LC Chair) reviewed with the Commission the April 23rd WMU Labor Committee Meeting minutes (see attached). The main topics of discussion focused on the potential need to conduct a rate study (electric & water divisions), consideration for an early payoff of the Wind Turbine Bond, and miscellaneous items of discussion. Following review and discussion, Commissioner Weber offered a motion to approve the minutes of the April 23rd WMU Labor Committee Meeting minutes as presented. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

In conjunction with the April 23rd Labor Committee Meeting, two items for consideration by the Commission were presented for their review. The first item was a recommendation by the Committee to approve the early payoff of the Wind Turbine Bond on July 1, 2019 (the original payoff date is scheduled for July 1, 2025). Director of Finance Runge provided data related to the Wind Turbine Bond noting the advantage of utilizing the earlier bond call date. Runge stated that the payoff balance is \$4.825 million, plus accrued interest. Based on the current 4.5% rate and escalating to 5%, the Utility would experience an interest savings of \$456,180.02 (net investment income loss: \$747,625.02 minus \$291,445) if they opt to utilize the early payoff date. Following discussion, Commissioner Magnuson offered a resolution to take advantage of the early pay off date of July 1, 2019 for the Wind Turbine Bond. Commissioner Mattern seconded.

RESOLUTION NO. 19


“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that authorization to pay off the Wind Turbine Bond in full on the call date of July 1, 2019 (original term end date is July 1, 2025) be approved.”

Dated this 13th day of May, 2019.



President

Attest:



Secretary

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

The second item for consideration by the Commission was the recommendation by the Labor Committee to issue a Request for Proposal (RFP) to conduct a cost of service and rate study for both the electric and water divisions. General Manager Harren stated that the target date for implementation of any potential rate adjustment(s) would be January 1, 2020. Following discussion, Commissioner MacDonald offered a motion to issue an RFP to conduct a cost of service and rate study for both the water and electric

divisions. It was further noted that the RFP would request that the proposals be bid both jointly and separately. Commissioner Magnuson seconded the motion which carried by a vote of seven ayes and zero nays.

Commissioner DeBlieck (PC Chair) reviewed with the Commission the April 29th WMU Planning Committee Meeting minutes (see attached). The focal point of discussion was regarding additional local generation. Power Supply Manager Carlson presented the Commission with a PowerPoint presentation entitled "*Additional Generation*" to review the topic. Following review and discussion, Commissioner DeBlieck offered a motion to approve the minutes of the April 29th WMU Planning Committee Meeting minutes as presented. Commissioner Mattern seconded the motion which carried by a vote of seven ayes and zero nays.

In conjunction with the April 29th PC meeting, it was the recommendation of the Committee to request the Commission to issue an RFP for up to 15 megawatts of additional generation. Furthermore, Staff will remain attentive on any future prospects that may arise now and in the future. Following discussion, Commissioner DeBlieck offered a motion to approve issuing an RFP for up to 15 megawatts of additional generation. Commissioner MacDonald seconded the motion which carried by a vote of seven ayes and zero nays.

Commissioner Weber (LC Chair) reviewed with the Commission the May 7th WMU Labor Committee Meeting minutes (see attached). The main topic of discussion was related to a grievance filed by IBEW on behalf of WMU's Water Department. The basis for the grievance was regarding WMU's hiring practices. Following review and discussion, Commissioner Weber offered a motion to approve the May 7th WMU Labor Committee Meeting minutes as presented. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

Related to the May 7th LC meeting, Commissioner Mahboub offered a motion to appoint the WMU Labor Committee to serve as the designated representative to hear the grievance by IBEW regarding WMU's Water Department. Commissioner Mattern seconded the motion which carried by a vote of seven ayes and zero nays.

Power Supply Manager Carlson reviewed with the Commission the WMU Cost of Power Report for March 2019. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (0.063 per kWh year-to-date). Also reflected in the analysis is the total year-to-date cost.

Facilities & Maintenance Supervisor Marti presented the Commission with the April 2019 Wind Turbine Report. Turbine availabilities for the month of April were at 99.0% (Unit #3) and 93.0% (Unit #4) with a monthly total production of 699,956 kWh. Marti noted that the availability on Unit #4 was slightly down for the month due to semi-annual maintenance conducted on the unit. The semi-annual maintenance will also be conducted on Unit #3, and the availability data of this unit will be reflected in the May 2019 Wind Turbine Report. Marti further noted that additional blade repairs will be scheduled for both units later this year (July/August).

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 update provides a brief overview of the topics discussed by the Boards and the actions taken. At this time, the April 2019 MRES and WMMPA Board of Directors Meeting video update was presented.

At this time, Commissioner Laumer introduced MRES Director of Member Services & Communications Joni Livingston. MRES is a not-for-profit provider of power supply and energy services based out of Sioux Falls, SD, and covers four area states (Minnesota, Iowa, North Dakota, and South Dakota). Ms. Livingston was in attendance to bring the Commission up to speed on issues facing our utility along with information about the relationship between MRES and Willmar Municipal Utilities. This informational update ("MRES 101") included background on how MRES was formed, Western Minnesota Municipal Power Agency (its role and why it was formed), Willmar's two power supply contracts (WAPA and MRES), MRES resources, and services (beyond power supply) available to our community. Ms.

Livingston recapped the recently held 54th Annual MRES Meeting (May 8-9), and encouraged Commissioners to attend various events/meetings available such as the MRES Area Meetings (generally held in the fall in Alexandria) or the Laramie River Station & Dry Fork Mine Tour. On behalf of the entire Commission, Commissioner Laumer expressed her appreciation for the concise and informative presentation Ms. Livingston provided to the Commission.

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

For information: Upcoming meetings/events to note include:

- Customer Service Rep Lois Nelson will be retiring on Friday, May 17th (43+ yrs. of service)
- APPA Governance Webinar Series: Webinars are held @ 12:30 pm (1 hr.). Attending (to date): Commissioners Laumer & Mattern
 - May 17th: *"A Board's Responsibility for Effective Governance"*
 - May 31st: *"A Board's Role in Setting & Achieving Long-Term Success"*
- APPA National Conference – June 7-12 (Austin, TX)
- WMU Annual Open House – Thurs., August 15th (4:00-6:30 pm)
- MRES Laramie River Station and Grayrocks Dam & Reservoir Tour (August 27-28)
- MMUA Summer Conference – August 19-21 (Breezy Point)
- MRES Legal Seminar *"Staying Current: Emerging Issues for Utilities"* – Oct. 4th (Sioux Falls, SD)

There being no further business to come before the Commission, Commissioner Laumer declared the meeting adjourned at 1:31 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary

WILLMAR MUNICIPAL UTILITIES COMMISSION
WORK SESSION MINUTES
MUNICIPAL UTILITIES AUDITORIUM
APRIL 22, 2019

The Municipal Utilities Commission met in a scheduled Work Session on Monday, April 22, 2019, at 12:45 p.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Nathan Weber, Bruce DeBlicek, Ross Magnuson, and Brendan MacDonald.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Energy Services & Marketing Rep Michelle Marotzke, Facilities & Purchasing Supervisor Kevin Marti, and Administrative Secretary Beth Mattheisen.

Commissioner Weber (Labor Committee Chair) opened the meeting by introducing discussion on the proposed 2019 WMU Strategic Plan. The purpose of the Strategic Plan is to create a strategic vision for the future of Willmar Municipal Utilities. Weber noted that the WMU Labor Committee had previously met on two occasions (March 11th & April 9th) to review and provide input on the revamped plan. General Manager Harren stated that per Commission directive, the plan was revised to reflect six strategic initiative that would assist in recognizing strengths, weaknesses, opportunities, and threats ("SWOT" analysis) of initiatives that would assist in preparing the utility for the future. These initiatives would be more "strategic" in nature rather than "operational".

Energy Services & Marketing Rep Marotzke provided a step-by-step review of the draft Strategic Plan which consists of the following initiatives identified including the span of years for each:

- Admin & Operations Buildings (1-5 yrs.)
- Financial Position (1-5 yrs.)
- Generation: Gas/Diesel & Power Plant (1-5 yr.)
- Generation: Renewable Energy (5-10 yrs.)
- Substation/Transmission (1-10 yrs.)
- Water System (1-5 yrs.)

Following input from the Commission, the suggested modifications will be incorporated into the plan and presented to the Commission for approval (May 13th MUC Mtg.). Commissioner MacDonald requested clarification of the Utility's goals as related to the new Strategic Plan as a listing of the initiatives would not be considered a plan. Should the goals be listed on the Strategic Plan? General Manager Harren stated that the next step of the process would be to prioritize initiatives, identify tasks required to address initiatives and set goals. Once the initiatives are approved staff will proceed with the next step and bring their recommendations back to the Commission. Upon completion the newly developed plan to act as a "road map" to accomplish the goals set forth by the Commission for the Utility.

Following approval by the Commission, prioritizing and assigning timelines would be established to assist in providing alignment of what the goals are and would be included on the Strategic Plan. It was further noted that while a vision has been developed based on the SWOT listing (analysis), the Strategic Plan provides a picture of where we are currently (status).

Work Session Summary:

1. Make modification and incorporate input and present to MUC for approval
2. Prioritizing and assigning timeline

In conclusion, General Manager Harren extended this appreciation to the Labor Committee for their time and efforts involved in developing the new WMU Strategic Plan, and to the entire Commission for their input and feedback throughout the process.


There being no further business to come before the Commission, Commissioner Laumer declared the meeting adjourned at 1:28 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES


Beth Mattheisen
Administrative Secretary

ATTEST:


Abdirizak Mahboub, Secretary

WILLMAR MUNICIPAL UTILITIES

MUC Labor Committee Meeting Minutes Tuesday, April 23, 2019 - 12:00 p.m.

Attendees: Commissioners Nathan Weber, Ross Magnuson & Zack Mahboub, General Manager John Harren, Director of Finance Denise Runge, Water & Heating Supervisor Joel Braegelman, Compliance/HR Manager Janell Johnson, and Administrative Secretary Beth Mattheisen.

Commissioner Weber called the meeting to order at 12:00 p.m.

AGENDA ITEMS:

➤ **Rate Study discussions:**

Burns &McDonnell: WMU Master plan Update: Water Distribution System

General Manager Harren reviewed with the Committee the budgetary process of WMU. The results of the projected budget provides an estimate of the state of the finances (shortfall or surplus) required to effectively conduct the business of the Utility. Therefore, the projected budget provides a basis to review the rates required to meet the fiscal responsibilities of the Utility. One factor of consideration to assist in establishing the rates is based on the 1999 Water Master Plan (model) conducted by Burns & McDonnell. This model was updated in 2019 to reflect current facilities and customer demands.

a. Executive Summary

Water & Heating Supv. Braegelman provided the Committee with a summary of the updated Burns & McDonnell Study (2019). This summary provided results of the analyses indicating that plant capacity improvements are needed at the Southwest (SW) Water Treatment Plant (WTP) and the Northeast (NE) Water Treatment Plants. These improvements are needed to deliver the maximum day, peak hour, and maximum day plus fire flow demand conditions. From the projected usage data, the needed estimated expenditures were created. However, while the distribution system is solid, minor water main replacement it required on dead end line with small 2-inch and 4-inch pipes. The total probable cost of treatment and pumping improvements at the plants is approximately \$32.5 million. In addition, several new development-driven improvements were also identified (approximately \$8.5 million). WMU will continue to evaluate the water plant and distribution system needs.

b. Water Distribution System Modeling (full report)

The Water Distribution System Modeling in its entirety was provided for review by the Committee.

c. Review of CIP's

General Manager Harren and Director of Finance Runge provided an overview of the budget process which included a listing of the Capital Improvement Projects.

d. City/WMU MOA Water Mains & Fire Hydrants Costs

Water & Heating Supv. Braegelman reviewed with the Committee the Statement of Cash Flows – Water (2019-2023) which included a listing of Capital Improvement Projects and the impact they will have financially on the water system when incorporating the impact of the recent MOA between WMU and the City of Willmar. This MOA addresses the operations and cost responsibilities regarding Willmar's water mains and fire hydrants. The annual cost to be incurred by the Utility for these added responsibilities is estimated at \$650,000. Also to note was the additional Operations/Maintenance expense that will be incurred beginning in 2020 estimated at \$75,000 (included in the O/M Budget).

e. Water Treatment Plant (WTP) Costs

Water & Heating Supv. Braegelman stated that the initial availability for grant funding (\$7 million available) for the Water Treatment Plant costs was one of the driving forces to address this project.

Due to funding requirements, the Utility was unable to secure the funding/grant loans as applied for. Therefore, the option to delay the project is being considered (est. 2-4 yrs.) and will be presented to the Planning Committee for consideration. The delay would allow additional time for the Utility to begin the process to fund the project and provide for the opportunity of possible changes of the mandated limits. Long-term effects of the future capacity needs on the water system were reviewed. Currently, the Utility has an approximate four-year window of plant capacity available to meet the future needs of Willmar. The estimated minimal cost of the NE Water Treatment Plant improvements would be \$14 million. Delaying the project, may prove to be the most beneficial action for the Utility at this time.

f. Cash Flow Statement – Water (2019-2023)

Director of Finance Runge reviewed with the Committee the original Water Cash Flow Statement beginning 2018 including the total Capital Projects. This statement reflected an estimated \$73,386 net cash balance by 2023. Runge continued by presenting the Water Cash Flow Statement which incorporated the projected additional expenses to be incurred (based on the MOA with the City and NE water treatment plant improvements). The revised Cash Flow Statement (Water) reflects an estimated net cash balance of negative \$6 million by 2023.

g. Cash Flow Statement – Electric (2019-2023)

Director of Finance Runge reviewed the Electric Statement of Cash Flow. On-going adjustments on the electric side have proven to have a positive effective on this side. Therefore at this time, Staff indicated that it appears there is no need for an electric rate adjustment (increase) at this time. However, the rate study would be utilized to analyze fixed costs in relation to fixed charges due to renewables.

At this time, Staff was recommending that the Labor Committee recommend conducting a cost of service and rate study of Willmar's water and electric divisions. Following discussion and review, it was the consensus of the Committee to recommend to the Commission that an RFP to conduct the rate study be approved. The RFP would request that the proposal be bid both jointly (water & electric) and separately (bid for each division).

2. Wind Turbine Bond Call Date:

Director of Finance Runge reviewed with the Labor Committee the status of the Wind Turbine Bond. The first bond call date is scheduled for July 1, 2019, with a payoff balance of \$4.825 million, plus accrued interest. The final payment due date is currently scheduled for July 1, 2025. Based on the current 4.5% rate and escalating to 5%, the Utility would experience an interest savings of \$747,625 if paid off July 1, 2019. Therefore, it was the recommendation of Staff to request consideration of the July 1, 2019 Wind Turbine Bond pay off.

Following discussion, the Labor Committee requested Staff to provide the Commission with information illustrating the advantages to utilizing the earlier bond call date. (Consideration of the bond pay off will be held at the May 13th MUC Meeting.)

3. Miscellaneous:

General Manager Harren informed the Labor Committee that per Commission input at the recent Work Session, the proposed WMU's "Strategic Plan" will be retitled "Strategic Initiatives" to better reflect the contents of the listing. Additional components will be added at staff-level to create an actual "Strategic Plan" therefore providing additional clarity to the vision of the Utility.

Compliance/HR Manager Johnson informed the Committee that a grievance concerning an employee in the Water Dept. had recently been received from IBEW. The grievance was in regard to WMU's hiring process. Background information and the process related to the grievance was reviewed. WMU's hiring process (from League of MN Cities) is based on both seniority and abilities. The Utility will proceed by contacting legal counsel. This is a non-confidential issue.

4. Adjournment:

There being no further business to come before the Labor Committee, Commissioner Weber offered a motion to adjourn the meeting. Commissioner Magnuson seconded the motion which carried, and the meeting was adjourned at 1:19 p.m.

WILLMAR MUNICIPAL UTILITIES

WMU PLANNING COMMITTEE MEETING MINUTES

Monday, April 29, 2019 – 12:00 p.m.

Present: Commissioners Bruce DeBlieck, Justin Mattern & Brendan MacDonald, General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Staff Electrical Engineer Jeron Smith, Facilities & Maintenance Supervisor Kevin Marti, Compliance/HR Manager Janell Johnson, and Administrative Secretary Beth Mattheisen.

Commissioner DeBlieck (Chair) called the meeting to order at 12:00 p.m.

AGENDA ITEM(S):

➤ **Generation Update:**

General Manager Harren opened discussion with the Planning Committee regarding an opportunity to increase local generation to Willmar's power supply portfolio. Harren provided background information related to Willmar's local generation and power supply. Per directive of the Commission in 2016, Staff had been challenged to find a reasonable balance between reliability and maintaining local generation. The targeted amount for local generation was set at 25% to cover Willmar's electric load and to provide added security in the event of a catastrophic occurrence (loss of transmission).

General Manager Harren informed the Committee that the opportunity would be to purchase five used 2 megawatt self-contained diesel generators (10-yrs. old) that would provide an additional 10 megawatts of local generation to Willmar's power supply. These units each have under 300 hours run-time and are NESHAP compliant. The cost of each unit is \$600,000 (5 units = \$3 million). (It was noted that new units of this size cost \$1.2 million each.) Due to the fact that these units are for providing generation, they are tax exempt. The life-expectancy of the units is estimated at 30-40 years.

General Manager Harren continued by stating that additional costs that would be incurred by the purchase of the units would include providing a control room for the generators (separate building), and concrete pad(s) for the units. These additional costs are estimated at a total of \$1.5 million (\$500,000 would be for substation controls and switch gear improvements in the next 5-7 yrs.). Therefore, the total estimated project cost would be \$4.5 million for the five units including installation. Note, operations and maintenance costs (to be determined) may be partially covered by the Reserved Capacity Agreement (RCA). Facilities & Maintenance Supervisor Marti informed the Committee of the preferred site location for the self-contained diesel units, and Staff Electrical Engineer Smith provided insight regarding the components of the required control room.

Power Supply Manager Carlson reviewed with the Planning Committee a cost analysis for the estimated return on the investment. Carlson stated that MRES has an interest in extending a new RCA for an additional 10-15 years, and that capacity payments would be received under the RCA. It is estimated that full recovery of the investment would be approximately 10 years with the potential to receive capacity credits for an additional 10-15 years (annual net gain after the first 10 yrs.). The capacity credits/payments would have a positive financial impact on customer rates.

Options related to the fuel supply for the generator units (or comparable units) was discussed (i.e. diesel vs dual fuel units). The units currently available are strictly diesel.

Staff provided a recap of the opportunity presented to the Utility to purchase five used 2 MW diesel generator units (total of 10 MW) as follows:

- No rate impact to customers
- Half the cost of new units
- Limited cost to connect to Power Plant substation

- No need to borrow money
- They will pay for themselves within 10 yrs.
- Potential to continue receiving RCA payments for an additional 10-15 yrs.
- Fulfills 25% local generation goal

Next steps in the process:

- Staff recommends to move to a MUC Work Session
- Permitting
 - MISO – determine if MISO agrees to recognize the additional capacity in the MISO market (regardless, it would provide additional reliability)
 - MPCA air permit
 - City permit
- RFP process (include dual fuel in RFP)
- DGR design (concrete pad, control room, etc.)
- MRES capacity contract
- Installation
- Commissioning

Following discussion & review, it was the consensus of the Planning Committee to move forward (regardless of our ability to receive capacity credits in the MISO market and or receiving RCA payments) and recommend issuing an RFP for the purchase of generator units (diesel and/or dual fuel) to supply approximately 10 MG of local generation for the Utility. Staff will remain attentive on any future prospects that may arise now and in the future. Staff will present the PowerPoint presentation with the noted revisions to the Commission at the May 13th MUC meeting.

➤ **Miscellaneous:**

General Manager Harren informed the Planning Committee that per Commission input at the recent Work Session (April 22nd), the proposed WMU's "Strategic Plan" will be retitled "Strategic Initiatives" to better reflect the contents of the listing. Additional components will be added at staff-level to create an actual "Strategic Plan" therefore providing additional clarity to the vision of the Utility.

Compliance/HR Manager Johnson informed the Committee that a grievance concerning an employee in the Water Dept. had recently been received from IBEW. The grievance was regarding WMU's hiring process (which follows the League of MN Cities standards). Background information and the process related to the grievance was reviewed. This was for information only.

➤ **Adjournment:**

There being no further business to come before the Planning Committee, Commissioner DeBlieck 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 1:09 p.m.

WILLMAR MUNICIPAL UTILITIES

MUC Labor Committee Meeting Minutes Tuesday, May 7, 2019 - 7:30 a.m.

Attendees: Commissioners Nathan Weber & Zack Mahboub, General Manager John Harren, Director of Finance Denise Runge, Compliance/HR Manager Janell Johnson, and Administrative Secretary Beth Mattheisen.

Commissioner Weber called the meeting to order at 7:30 a.m.

AGENDA ITEMS:

➤ **Grievance #7452 with IBEW re Lead Waterworks Operator Position:**

General Manager Harren opened discussion with the Labor Committee regarding Grievance #7452 received from IBEW filed on behalf of WMU's Water Department. The basis for the grievance was regarding WMU's hiring procedures. Harren noted that the Utility follows the hiring practices and procedures as recommended by the League of MN Cities (utilizing their template, T&E ranking, etc.).

Compliance/HR Manager Johnson provided background information and reviewed with the Committee a detailed time line associated with the issued grievance and the hiring process of the Utility (including posting of the position). Following review of the various correspondences, the next step in the grievance process would be to have Utility Commission and union representation schedule a meeting for a hearing on the issue. Johnson informed the Committee that it would be up to the Commission's discretion to appoint the designee to act on behalf of the Utility concerning the grievance.

General Manager Harren reiterated a number of significant points for the Committee to consider regarding this matter. At this time, Harren requested the Labor Committee to recommend the appointment of the Utility designee(s) to participate in the hearing with IBEW (Commission or Labor Committee). Harren stated that if the grievance remains unresolved at that point, arbitration would be the next step in the process. It was further noted that the Utility does have legal counsel representation regarding this matter.

Action:

Following discussion, Commissioner Weber offered a motion to recommend that the Commission appoint the WMU Labor Committee as the designated representative to hear the grievance by the Union (IBEW). Commissioner Mahboub seconded the motion which carried by a vote of two ayes and zero nays. The recommendation will be presented to the Commission for consideration at the May 13th MUC Meeting.

Next Step: Schedule a meeting of the two entities (designees) between May 14-21 to address the grievance.

➤ **Miscellaneous: Staffing update**

At this time, Compliance/HR Manager Johnson provided the Committee with a number of staffing updates. This was for information only.

3. Adjournment:

There being no further business to come before the Labor Committee, Commissioner Mahboub offered a motion to adjourn the meeting. Commissioner Weber seconded the motion which carried by a vote of two ayes and no noes, and the meeting was adjourned at 8:16 a.m.