

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
JULY 8, 2019

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, July 8, 2019 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Nathan Weber, Abdirizak Mahboub, Bruce DeBlieck and Brendan MacDonald. Absent was Commissioner Ross Magnuson.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Energy Services & Marketing Rep Michelle Marotzke, Facilities & Maintenance Supervisor Kevin Marti, SI Coordinator Mike Sangren, 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 Weber seconded.

RESOLUTION NO. 24

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Consent Agenda be approved as presented which includes:

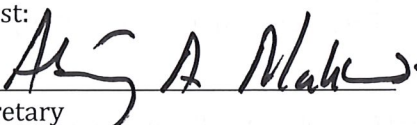
- ❖ Minutes from the June 24, 2019 Commission meeting; and,
- ❖ Bills represented by vouchers No. 190943 to No. 191078 and associated wire transfers inclusive in the amount of \$5,914,784.60.

Dated this 8th day of July, 2019.



President

Attest:



Secretary

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

Commissioner Weber (LC Chair) reviewed with the Commission the July 1st WMU Labor Committee meeting minutes (see attached). The main topic of discussion focused on the renewable energy program (Bright Energy Choice) being offered by MRES to its member utilities. This program allows customers to purchase Renewable Energy Certificates (RECs). These RECs provide confirmation that the customer's designated electricity used has been generated by qualifying renewable sources (i.e. wind, solar). Therefore, this program is designed to reduce the environmental impact of conventional electric generation. The RECs program offers WMU's customers the opportunity to participate in an affordable and cost-effective program which supports renewable energy without the costly investment of solar or wind equipment. This program, which will begin in January 1, 2020, is being offered to WMU customers as an "opt-in" program with a one-year commitment requirement. Cost to each customer would be based on their individual kilowatt usage and would be listed as a line item on their monthly utility bill. The cost per kWh for 2020 is \$0.0033 (less than ½¢ per kWh). Community education and marketing would be highly utilized to inform the public of this opportunity to help promote green energy for the citizens of Willmar.

In an effort to lead by example, the Labor Committee was recommending that the Utility fully participate in the RECs Program being offered. The cost to purchase the RECs for WMU's own use is estimated to be near \$10,000 for the year 2020 (100% renewable).

Following extensive discussion by the Commission, Commissioner Weber offered a two-fold motion to both authorize participation in the Renewable Energy Certificate Program being offered by MRES as an opt-in program, and for the WMU to fully support the program at an estimated cost of \$10,000 for 2020. Commissioner Mahboub seconded the motion which carried by a vote of six ayes and zero nays.

In conjunction with the REC Program, Energy Services & Marketing Rep Marotzke presented the Commission with a WMU/Bright Energy Choices flyer (draft) for residential customers (commercial customer flyer will be forthcoming). It was noted that the average home uses approximately 700 kWh per month, therefore the average estimated cost per household for participation in the program would be \$2.31 per month (\$0.0033 per kWh). Following input from the Commission, modifications would be added for clarity of the energy program being offered to WMU's customers.

Energy Services & Marketing Rep Marotzke continued by providing insight into ways in which the Commission and Utility staff can assist in promoting the WMU and to utilize the programs and services that are available to its customers. Marotzke also presented the Commission with a news release depicting the core values of public power and key ways we serve our community and customers.

In an effort to keep the City Council well-informed and "up to speed" on projects and issues affecting the Utility, Commissioner Laumer was once again requesting that joint meetings between WMU officials and members of the City Council be scheduled. Due to the Open Meeting Law, multiple meetings would be required to accommodate 2-3 Councilmembers in attendance at each. Commissioner Laumer and General Manager Harren would be attending. Attendance by additional Commissioner(s) (1 or 2) would be encouraged keeping in mind the Open Meeting Law requirements. Laumer reviewed with the Commission a draft of the activities and topics of discussion to be reviewed at the proposed joint meetings (Priam Substation, Downtown Street Lighting Project, Water Treatment Plant, etc.).

Director of Finance Runge presented the Commission with the WMU 2020 Budget Process Schedule. Runge stated that the early completion of the budgeting process is necessary to meet the City Council's requested completion date of August 14th. Therefore, final approval by the Commission will be requested at the August 12th MUC meeting.

Director of Finance Runge reviewed with the Commission the WMU Cost of Power Report for May 2019. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (0.065 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 June 2019 Wind Turbine Report. Turbine availabilities for the month of June were at 97.5% (Unit #3) and 96.3% (Unit #4) with a monthly total production of 400,456 kWh. Marti noted that a very positive week-long training session for the Utility's Wind Turbine Technicians had recently been conducted.

General Manager Harren informed the Commission of two upcoming WMU Committee meetings that have been scheduled. A meeting of the Labor Committee will be held on August 1st at 12:00 p.m. This meeting will be a review of the recently completed Electric & Water Rate Study (Dave Berg will present the results). A meeting of the Planning Committee will be held August 7th at 11:30 a.m. This meeting will focus on the proposed 2020 WMU Budget.

General Manager Harren stated that additional WMU Committee meetings will be forth coming. Agenda item(s) for a future Planning Committee meeting will include: generation study analysis. Agenda item(s) for a future Labor Committee meeting will include: succession planning for the General Manager position; and, Strategic Plan.

For information: Upcoming meetings/events to note include:

- WMU Annual Open House - Thurs., August 15th (4:00-6:30 pm)
- MMUA Summer Conference - August 19-21 (Breezy Point)
- MRES Laramie River Station and Grayrocks Dam & Reservoir Tour (August 27-28)
- 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 12:25 p.m.

Respectfully Submitted,

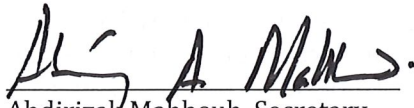
WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen

Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Monday, July 1, 2019
12:00 p.m.

Attendees: Commissioners Nathan Weber, Ross Magnuson & Abdirizak Mahboub, General Manager John Harren, Director of Finance Denise Runge, Energy Services & Marketing Rep Michelle Marotzke, and Administrative Secretary Beth Mattheisen.

Commissioner Weber called the meeting to order at 12:02 p.m.

AGENDA ITEM(s):

➤ **Renewable Energy Certificate Program (offered by MRES):**

General Manager Harren and Energy Services & Marketing Rep Marotzke provided a recap of the renewable energy certificate program (Bright Energy Choice) being offered by Missouri River Energy Services (MRES) to its member utilities. The Bright Energy Choices program allows customers to purchase Renewable Energy Certificates (RECs). These RECs provide proof that the customer's designated electricity used was generated by qualifying renewable sources (i.e. wind, solar). The RECs Program is designed to reduce the environmental impact of conventional electric generation by promoting renewable energy. This program, which will begin on January 1, 2020, is an "opt-in" program with a one-year commitment required. The customer's energy usage is based on per kilowatt-hour (kWh) and would be listed as a line item on the customer's monthly utility bill. The cost per kWh for 2020 is \$0.0033.

In an effort to receive input from our customers, the Labor Committee had directed Staff to conduct public polling to receive feedback. Three separate polls (Facebook, WC Tribune, and Survey Monkey) were conducted to get a pulse on the community's desire to participate in a renewable energy program. The number of polling participants was lower than anticipated therefore less customer feedback was received regarding green energy. Results of the compiled data were reviewed and discussed.

In an effort to lead by example, Staff was recommending that the Utility participate in the RECs Program. The cost to purchase the RECs for WMU's own use (electric & water departments) is estimated to be near \$10,000 for the year 2020 (100% renewable). These RECs would provide the renewable energy for the Utility's Electric and Water Departments (Service Center, Admin. Office, Power Plant, substations, well fields, water towers, water treatment plants, etc.). There would be no additional programming costs to the Utility to provide this program.

Marketing and educating the public on the advantages of participating in this program would be essential (bill stuffers, social media, website information, etc.). Staff will compile data to reflect billing estimates for various large business accounts to assist in their consideration to participate in the program. Staff will also provide Commissioners with data reflecting the estimated costs as related to their individual Utility account. It was also the recommendation of the Committee to "tweak" the current Bright Energy Choices flyer in an effort to promote marketing of the program (i.e. add testimonials). Various marketing strategies were discussed to promote the voluntary RECs Program.

Recommendation/Action:

Following review and discussion, it was the consensus of the Labor Committee to recommend that the Utility participate in the Renewable Energy Certificate Program offered by MRES. This program would be offered as an opt-in option to its customers with a one-year commitment required. Furthermore, the Utility will support the program fully (100% renewable energy) at an estimated cost of \$10,000 for 2020.

➤ **MISCELLANEOUS:**

General Manager Harren distributed an informational article published by Wood Mackenzie as it relates to reaching 100% renewable energy within the U.S. by 2030. The article states that the estimated transition costs to attain 100% renewable energy by 2030 could cost rate payers \$4.5 trillion or \$35,000 per U.S. household. While the article states that 100% renewable energy is possible, the timeline for completion by 2030 is not realistic. This was for information only.

3. Adjournment:

There being no further business to come before the Labor Committee, Commissioner Weber offered a motion to adjourn the meeting. Commissioner Mahboub seconded the motion which carried by a vote of three ayes and no noes, and the meeting was adjourned at 12:51 p.m.

