

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
SEPTEMBER 9, 2019

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, September 9, 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: General Manager John Harren, Director of Finance Denise Runge, Compliance & HR Manager Janell Johnson, Facilities & Maintenance Supervisor Kevin Marti, IS 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 Mattern seconded.

RESOLUTION NO. 31

“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 August 26, 2019 Commission meeting; and,
- ❖ Bills represented by vouchers No. 191320 to No. 191429 and associated wire transfers inclusive in the amount of \$782,773.47.

Dated this 9th day of September, 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 minutes from the September 4th WMU Labor Committee Meeting (see attached). The main topics of discussion focused on: 1) Staff Development; 2) WMU Strategic Plan/Initiatives; and, 3) Succession Planning for the General Manager Position. Following review of the presented minutes, Commissioner Weber offered a motion to approve the minutes as presented. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

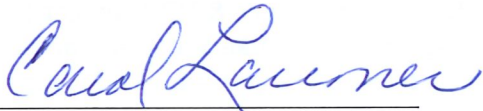
In conjunction with the above approved minutes (Sept. 4th LC Meeting.), three items required Commission approval. The first item for discussion was the opportunity available to both encourage and inspire teamwork and communications among staff by bringing in an inspirational speaker. At the recent MMUA Summer Conference, Joe Schmit was a keynote speaker, speaking on “*Silent Impact – Interactive IMPACT LEADERSHIP*” which focused on team-building development (i.e. positive attitude, acknowledging & praising people). This is a 12-month mandatory program for all employees (Commissioners are also invited to participate). The total package cost would be \$9,000 (which includes the initial presentation and 12-month follow-up). The Labor Committee was recommending

that the Commission approve the engagement of Mr. Schmit to provide the team-building program to the Utility. Following discussion, Commissioner Weber offered a resolution to authorize participation in Joe Schmit's "Silent Impact – Interactive IMPACT LEADERSHIP Seminar" (12-month course) for the total cost of \$9,000. Commissioner Mahboub seconded.

RESOLUTION NO. 32

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Joe Schmit be authorized to provide professional training to promote staff development entitled "Silent Impact – Interactive IMPACT LEADERSHIP Seminar" (12-month program) in the total amount of \$9,000."

Dated this 9th day of September, 2019.



President

Attest:



Secretary

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

The second item requested by the Labor Committee for approval was the WMU Strategic Initiatives including newly identified tasks and timelines. As a reminder, the WMU Strategic Initiatives are divided into the following six categories: 1) Admin & Operations Bldgs.; 2) Financial Position; 3) Generation: Gas/Diesel & Power Plant; 4) Generation: Renewable Energy; 5) Substations/Transmission; and, 6) Water Treatment Plant. The WMU Strategic Initiatives received Commission approval on May 13, 2019, and staff had been directed to develop tasks and timelines to assist in achieving these initiatives. Following review and discussion, Commissioner Magnuson offered a motion to approve the WMU Strategic Initiatives with Task Lists & Timelines as presented. Commissioner DeBlieck seconded the motion which carried by a vote of seven ayes and zero nays.

The third item presented by the Labor Committee for Commission approval was the Emergency Succession Plan for the General Manager position. Previously, the Commission had requested staff to compile information to formulate a plan in the event of a sudden unforeseen departure of the General Manager (accident, illness, death, etc.). Following the Committee's review of the current Organizational Chart, position descriptions, and various data, a succession plan was developed and set in place relating to the General Manager position. Following discussion and incorporating verbiage to provide clarity to the plan, Commissioner Mahboub offered a motion to approve the Emergency Succession Plan established to fulfill the duties of the General Manager in the event of an unforeseen absence. Commissioner Magnuson seconded which carried by a vote of seven ayes and zero nays.

Based on the 2019 WMU Electric and Water Rate Study recently conducted by Dave Berg Consulting, staff was recommending that the Commission concur with the findings and proceed with the rate adjustment process by scheduling a public hearing for September 23, 2019, beginning at 11:50 a.m. The recommended rate adjustments are being made based on the overall revenue needs of the Utility. Following discussion, Commissioner Laumer offered a motion to set a public hearing to review the proposed rate adjustments for Monday, September 23, 2019 at 11:50 a.m. Commissioner Weber seconded the motion which carried by a vote of seven ayes and zero nays.


At this time, General Manager Harren reviewed with the Commission the proposed Rate Adjustment Ordinance and indicated that the Commission will be asked to approve a proposed Rate Adjustment Resolution following the September 23rd public hearing.

IS Coordinator Sangren informed the Commission that once again it was time to schedule our annual Penetration Test (Pen Test). In the past, staff has been pleased to utilize the services of NetSPi to perform the test. Now that a baseline has been established, staff felt it would be an appropriate time to get another "set of eyes" to view the Utility's security to either confirm the results of the past or to enlighten us to any new vulnerabilities. Three vendor quotes were received. Due to confidentiality, the identities of the vendors are not being disclosed. Based on a thorough statement of work, staff is recommending that White Oak Security from Plymouth, Minnesota, be selected to conduct the upcoming Pen Test (both external and internal testing) in the amount of \$15,592.14. Following review & discussion, Commissioner Mattern offered a resolution to authorize White Oak Security to conduct a Pen Test of the Utility in the amount of \$15,592.14. Commissioner DeBlieck seconded.

RESOLUTION NO. 33

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that White Oak Security of Plymouth, Minnesota, be authorized to conduct the penetration testing to identify possible impact and potential risks regarding security concerns of software applications and networking assets for the total amount of \$15,592.14."

Dated this 9th day of September, 2019.


President

Attest:


Secretary

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

Compliance & HR Manager Johnson along with Facilities & Maintenance Supervisor Marti presented the Commission with the 2019 US Homeland Security Infrastructure Survey conducted on behalf of the Willmar Municipal Utilities. An overview of DHS (Dept. of Homeland Security) visits and reporting process/procedures was given. Report findings were presented which included Willmar's water and generation/transmission divisions. Following review of the report results, conclusions and recommendations were presented for discussion. This was for information only.

Director of Finance Runge reviewed with the Commission the WMU Cost of Power Report for July 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 August 2019 Wind Turbine Report. Turbine availabilities for the month of August were at 99.9% (Unit #3) and 92.8% (Unit #4) with a monthly total production of 176,047 kWh. Marti noted that blade repairs are currently being conducted on Unit #4 which effects the total kWh output of the unit. Depending on the weather, the project should be completed by the end of this week (project began on August 13th).

At this time, recaps of a number of recent events attended by Commissioners/Management were presented to the Commission. These events were:

- 1) MMUA Summer Conference - Aug. 19-21 (MUC Laumer & DeBlieck, GM Harren and Energy Services/Marketing Rep Marotzke)
 - a. On behalf of the Commission & staff, MUC Mattern congratulated MUC Carol Laumer was presented the "2019 MMUA Distinguished Service Award". This award is given to individuals who perform outstanding service in support of the association and its goals.

- 2) Morning Breakfast Series entitled, "Doubling Down on Failure: How a 50% by 2030 Renewable Energy Standard Would Cost Minnesota \$80.2 Billion" - August 27th (MUC DeBlieck & GM Harren)
- 3) MRES Laramie River Station/Grayrocks Dam & Reservoir Tour -Aug. 27-28 (MUC Laumer)
- 4) MRES Regional Policymakers Dinner/Discussion - Sept. 5th (MUC Laumer/DeBlieck/Mattern & GM Harren)

General Manager Harren informed the Commission that a number of Minnesota municipals had volunteered both staff and equipment to provide "mutual aid" in response to Florida's hurricane call. This mutual aid/disaster response was a coordinated effort through the efforts of APPA and MMUA. The Utility was pleased to send Linemen Zack Larson & Dylan Berg (along with a Line Dept. Truck) to assist in the anticipated disaster relief. Harren expressed his appreciation to staff for their willingness to participate in such efforts.

General Manager Harren reminded the Commissioners of two upcoming events to note. First, an MRES Area Meeting will be held on Thursday, October 24th (9:00 am-1:30 pm) at the Holiday Inn in Alexandria. The second event is the MRES Legal Seminar scheduled for Friday, October 4th (8:00 am-3:00 pm) to be held in Sioux Falls, SD.

General Manager Harren stated that a meeting of the WMU Planning Committee will be forth coming. Agenda item(s) for the meeting will include: Power Plant discussion; and, review current disconnection policies & procedures.

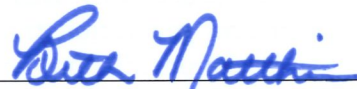
For information: Upcoming meetings/events to note include:

- MRES Area Meeting at Alexandria Holiday Inn – Thurs., October 24th (9:00 am-1:30 pm)
- MRES Legal Seminar "Staying Current: Emerging Issues for Utilities" - Friday, October 4th (8:00 am-3:00 pm) (Sioux Falls, SD)

There being no further business to come before the Commission, Commissioner DeBlieck offered a motion to adjourn the meeting. Commissioner Laumer seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 1:13 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary



**WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Wednesday, September 4, 2019
12:00 p.m.**

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

Commissioner Weber called the meeting to order at 12:08 p.m.

AGENDA ITEM(s):

➤ **Staff Development:**

General Manager Harren presented the Labor Committee with an opportunity for further team/staff development. Harren and HR Manager Johnson continued by reviewing data and available opportunities to assist with team/staff development in a positive manner for all staff members.

HR Manager Johnson reviewed with the Committee the *Management/Employee Engagement in Safety Survey* which was conducted by Ridgewater College staff in conjunction with WMU staff safety training on May 11, 2018. Results of the 11-question survey targeted management and/or personnel. Past results of the initial survey were reviewed along with the efforts which have been made to address the identified issues in the survey. Among the target areas addressed were teamwork, and staff communications among management/staff/union reps (listening, bridging communication gaps, acknowledging of emails, telephone & verbal communications, etc.).

Current practices involving communications between management and staff were reviewed (i.e. post-MUC full-staff meetings, monthly supervisors/management meetings).

One exciting opportunity available to both encourage and inspire teamwork and communications among staff would be to bring in a professional speaker. This speaker would address the entire staff to improve the company's culture and morale. Two options for consideration were presented: 1) *FISH! Philosophy*; and, 2) *Joe Schmit Silent Impact - Interactive IMPACT LEADERSHIP Seminar*. Four staff members were very receptive to their recent attendance at the MRES sponsored *FISH! Philosophy* workshop held in Sioux Falls, SD on August 15th. At the recent MMUA Summer Conference, Joe Schmit was a keynote speaker, speaking on "*Silent Impact*" which focused on positive attitude, acknowledging and praising people. Both representatives/speakers have been contacted and are willing to come to our Utility to share their inspirational message with our staff.

Following a review of both, staff is recommending that the Labor Committee consider participating in the *Joe Schmit Silent Impact - Interactive IMPACT LEADERSHIP Seminar*, which is a 12-month program. The intent is to have employees take ownership of their own destiny. This would be a mandatory training course for all WMU employees. Total package cost would be \$9,000 (which includes the entire 12-month follow-up). Johnson further noted that through conversations with Mr. Schmit, it was stated that he can personalize the presentation to meet the needs of our Utility.

Recommendation/Action:

Following review and discussion, it was the consensus of the Labor Committee to recommend that the Commission authorize staff to support the idea of bringing in a team-building speaker/consultant to provide inspiration to staff. The option to pursue would be the *Joe Schmit Silent Impact - Interactive IMPACT LEADERSHIP Seminar* (12-month course) for the total cost of \$9,000. It

was further noted that while the 2019 WMU Budget does provide for the funding of such training, consulting fees over \$5,000 require WMU approval is required.

➤ **WMU Strategic Plan:**

On May 13, 2019, the Commission approved the WMU Strategic Initiatives. The WMU Strategic Initiatives are divided into the following six categories: 1) Admin & Operations Bldgs.; 2) Financial Position; 3) Generation: Gas/Diesel & Power Plant; 4) Generation: Renewable Energy; 5) Substations/Transmission; and, 6) Water Treatment Plant. While the Initiatives approved in May remain unchanged, staff was asked to provide tasks and timelines in which to achieve these initiatives. Facilities & Maintenance Manager Marti along with Energy Services & Marketing Rep Marotzke reviewed the tasks and timelines associated with the approved Initiatives. Related to the topics, the following revisions were recommended: 1) Admin & Operations Bldgs.: revise priority from Low to Medium; 2) Generation: Gas/Diesel & Power Plant: provide additional clarity regarding permitting and assess remaining electronic/hardware of the units.

Recommendation/Action:

Following discussion and review, it was the consensus of the Labor Committee to recommend that the Commission approve the WMU Strategic Initiatives with Task Lists as presented incorporating the adjustments as stated.

At this time, Commissioner Magnuson departed the meeting (1:18 pm).

➤ **Emergency Succession Plan: General Manager**

Per directive of the Commission, Staff compiled information to formulate an Emergency Succession Plan for contingencies in the event of a sudden departure of the General Manager. Initially, the Director of Operations (DOO) position would assume the General Manager position in his absence. However, currently the DOO position is vacant. Consideration to naming a DOO was presented. Job descriptions including responsibilities and duties for both the General Manager and Director of Operations positions were reviewed and discussed. Also reviewed was the hiring process involved for this (or any) position at the Utility.

Recommendation/Action:

It was the consensus of the Labor Committee to confirm that it has developed and has in place an Emergency Succession Plan for the General Manager position and to recommend that the Commission approve the plan. The plan would promote discussion and identify a successor to lead the Utility in the event of an unforeseen absence of the General Manager.

➤ **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 two ayes and no noes, and the meeting was adjourned at 1:44 p.m.