

**WILLMAR MUNICIPAL UTILITIES MINUTES**  
**MUNICIPAL UTILITIES AUDITORIUM**  
**SEPTEMBER 23, 2019**

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, September 23, 2019 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub and Brendan MacDonald. Absent were Commissioners Nathan Weber, Bruce DeBlieck and Ross Magnuson.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, IS Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), and City Councilman Shawn Mueske.

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 items contained in the Consent Agenda. Due to a reimbursement included in the payment of bills and under the advisement of City Attorney Scott, it was determined that two separate resolutions (minutes and bills) would be appropriate. Following discussion, Commissioner Laumer offered a resolution to approve the September 9<sup>th</sup> MUC meeting minutes as presented. Commissioner Mahboub seconded.

**RESOLUTION NO. 34**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the minutes from the September 9, 2019, Commission meeting be approved as presented.”

Dated this 23<sup>rd</sup> day of September, 2019.

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary


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

Following review of the bills presented for payment, Commissioner Mahboub offered a resolution to approve the bills as presented. Commissioner Mattern seconded.

**RESOLUTION NO. 35**

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bills represented by vouchers No. 191430 to No. 191508 and associated wire transfers inclusive in the amount of \$3,391,395.78 be approved as presented.”

Dated this 23<sup>rd</sup> day of September, 2019.

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary

The foregoing resolution was adopted by a vote of three ayes, and zero nays with Commissioner Laumer abstaining.

At 11:50 a.m., Commissioner Laumer announced that a public hearing to address rate adjustments would be conducted. Laumer informed the Commission and those in attendance of the rules and regulations involved in conducting the public hearing. It was further noted that legal notice had been published in the West Central Tribune on September 12, 2019. No citizens from the general public were in attendance to address the Commission. Following discussion and a reading of the proposed resolution in its entirety, Commissioner Laumer requested a motion to close the public hearing. Commissioner Mattern offered a motion to close the public hearing to consider approval of the proposed resolution. Commissioner Mahboub seconded the motion which carried by a vote of four ayes and zero nays, and the public hearing was closed at 11:57 a.m. Following further discussion, Commissioner MacDonald offered a resolution to approve the proposed resolution recommending that the Willmar City Council proceed with the process to implement rate adjustments for 2020-2023. Commissioner Mahboub seconded.

#### **RESOLUTION NO. 36**

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

Director of Finance Runge presented the Commission with the August 2019 Financial Reports along with a recap of the August 31, 2019 Investment Portfolio. The data presented included analyses of the Electric, Water, Heating and Combined Divisions. Information contained in the reports reflect 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. Additional discussion regarding investment options as they relate to rate yields was held. Runge along with General Manager Harren informed the Commission that our Utility must adhere to stringent state statutes, guidelines & restrictions as they relate to municipalities. Staff will remain diligent in seeking out better indicators while gathering additional information for potential investment options and opportunities in the future.

Director of Finance Runge informed the Commission of the efforts utilized to collect unpaid utility bills. Letters have been sent to individuals informing them that a lien will be placed on their property for unpaid utility bills. They have also been given the opportunity to appear before the Commission. While efforts continue to collect these unpaid utility bills, Runge was asking the Commission to approve a resolution requesting that the City Council place liens on the properties for their unpaid utility bills. The grand total for the sixteen requested property liens is in the amount of \$7,093.42. Following discussion, Commissioner Mattern offered a resolution to request the City Council to place liens on these properties for unpaid utility bills. Commissioner Mahboub seconded.

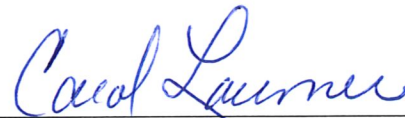
#### **RESOLUTION NO. 37**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Municipal Utilities Commission requests that the City Council place liens on the following properties for non-payment of utility bills:



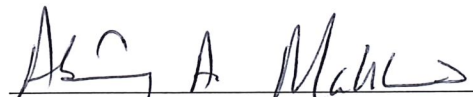
ACCOUNT	AMOUNT
18036001	\$94.98
22656003	\$461.61
23376001	\$307.96
26428001	\$390.17
21777003	\$305.54
21777004	\$1,550.66
21777005	\$481.13
25603001	\$578.84
26117001	\$111.42
26119001	\$120.40
28412001	\$344.29
30168001	\$622.49
30519002	\$222.97
33731001	\$390.48
35282002	\$1,014.52
37233001	\$95.96
<b>TOTAL</b>	<b>\$7093.42</b>

Dated this 23<sup>rd</sup> day of September, 2019.



President

Attest:



Secretary

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

General Manager Harren informed the Commission that Willmar Municipal Utilities will be celebrating Public Power Week, Oct. 6-12, along with more than 2,000 other community-owned, not-for-profit electric utilities that provide electricity to 49 million Americans. Public power puts the people of Willmar first, and Public Power Week gives us the chance to emphasize the advantages of locally-owned power to our citizens and remind them of the reliable and safe services our Utility provides. Following discussion, Commissioner Laumer offered a resolution designating October 6-12 as Public Power Week. Commissioner Mattern seconded.

## RESOLUTION NO. 38

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

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

For information: Upcoming meetings/events to note include:

- MRES Legal Seminar "*Staying Current: Emerging Issues for Utilities*" - Friday, October 4<sup>th</sup> (8:00 am-3:00 pm) (Sioux Falls, SD)
- MRES Area Meeting at Alexandria Holiday Inn - Thurs., October 24<sup>th</sup> (9:00 am-1:30 pm)
- "*IMPACT Leadership Workshop*" - Friday, Dec. 13<sup>th</sup> (7:30 am-12:00 pm) (WMU Auditorium)

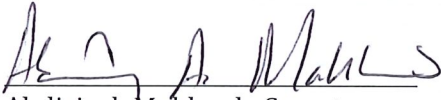
There being no further business to come before the Commission, Commissioner Laumer declared the meeting officially adjourned at 12:12 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

  
Beth Mattheisen  
Administrative Secretary

ATTEST:

  
Abdirizak Mahboub, Secretary



**WILLMAR MUNICIPAL UTILITIES RESOLUTION 2019 - #36**

**A RESOLUTION TO RECOMMEND THAT THE WILLMAR CITY COUNCIL IMPLEMENT  
UTILITY RATE ADJUSTMENTS FOR 2020-2023**

WHEREAS, Pursuant to Section 4.05, subdivision 2(G) of the Willmar Charter, the Willmar Municipal Utilities Commission (Commission) has the power and responsibility to recommend to the Willmar City Council (City Council), after holding hearings, rates to be charged for water, electricity, hot water heat and any other utility services sold by the Commission; and

WHEREAS, WMU commissioned an Electric and Water Utility Cost of Service and Rate Design Study that was completed by Dave Berg Consulting LLC, a draft of which was accepted by the Commission on August 12, 2019 (rate study), which study recommended no rate increases at this time for electric service rates but recommended establishing a new EV – Electric Vehicle Off Peak rate category, and recommended increases in water service rates in the amounts of 20 percent in 2020, 20 percent in 2021, five percent in 2022 and five percent in 2023, all in order to continue providing the high quality of service expected by WMU Customers; and

WHEREAS, The Commission duly noticed and conducted a public hearing on its proposed rate adjustments for 2020 through 2023 as detailed herein at the Commission’s regular meeting on September 23, 2019; and

WHEREAS, Pursuant to Section 2.12, subdivision 1(E) of the Willmar Charter, the City Council has the power and responsibility to regulate the rates charged for utility services by the Commission and the City by ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE WILLMAR MUNICIPAL UTILITES COMMISSION THAT:

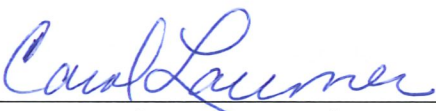
1. The Commission recommends to the City Council that the rates for water service provided by the Commission be increased from existing rates by twenty percent effective January 1, 2020, an additional twenty percent above such 2020 rates effective January 1, 2021, an additional five percent above such 2021 rates effective January 1, 2022, and an additional five percent above such 2022 rates effective January 1, 2023.

2. The Commission further recommends that the electric energy acquisition adjustment pursuant to Willmar City Code Sec. 16-176 be changed from the calculation based on a specified rate per kWh as currently in effect to a formula as follows:

The overall average cost of wholesale power and net transmission costs (transmission costs less transmission revenue) incurred above the weighted average cost established at the time of the current rate schedule.

3. The Commission further recommends that the City Council adopt the ordinance attached hereto as Appendix A and incorporated herein by reference implementing the water rate adjustments, and revising the manner in which the electric energy acquisition adjustment is calculated as detailed in Paragraphs 1-2 above.

PASSED by the Willmar Municipal Utilities Commission on this 23<sup>rd</sup> day of September, 2019.

  
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Carol Laumer, President

ATTEST:

By   
\_\_\_\_\_  
Abdirizak Mahboub, Secretary

**RESOLUTION NO. 38**

**2019 PUBLIC POWER WEEK  
IN APPRECIATION OF WILLMAR MUNICIPAL UTILITIES,  
OUR HOMETOWN ELECTRIC UTILITY**

WHEREAS, we, the citizens of Willmar, place high value on local control over community services and therefore have chosen to operate a community owned, locally controlled, not-for-profit electric utility and, as consumers and owners of our electric utility, have a direct say in utility operations and policies;

WHEREAS, Willmar Municipal Utilities provides our homes, businesses, farms, social service, and local government agencies with reliable, efficient, and cost-effective electricity employing sound business practices designed to ensure the best possible service at not-for-profit rates;

WHEREAS, Willmar Municipal Utilities is a valuable community asset that contributes to the well-being of local citizens through energy efficiency, customer service, environmental protection, economic development, and safety awareness;

WHEREAS, Willmar Municipal Utilities is a dependable and trustworthy institution whose local operation provides many consumer protections and continues to make our community a better place to live and work, and contributes to protecting the global environment;

NOW, THEREFORE BE IT RESOLVED: that Willmar Municipal Utilities will continue to work to bring lower-cost, safe, reliable electricity to community homes and businesses just as it has since 1891, the year when the utility was created to serve all the citizens of Willmar; and

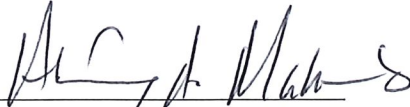
BE IT FURTHER RESOLVED: that the week of Oct. 6-12 be designated Public Power Week to recognize Willmar Municipal Utilities for its contributions to the community and to educate consumer-owners, policy makers, and employees on the benefits of public power;

BE IT FURTHER RESOLVED: that our community joins hands with more than 2,000 other public power systems in the United States in this celebration of public power, which is best for consumers, business, the community, and the nation.

Dated this 23<sup>rd</sup> day of September, 2019.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

