

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
DECEMBER 23, 2019

The Municipal Utilities Commission met in its regular scheduled meeting on Monday, December 23, 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 Ross Magnuson.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Compliance/HR Manager Janell Johnson, Staff Electrical Engineer Jeron Smith, Energy Services & Marketing Rep Michelle Marotzke, Information Systems Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, and City Attorney Robert Scott (via teleconference).

Commissioner Laumer (President) 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. 48

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

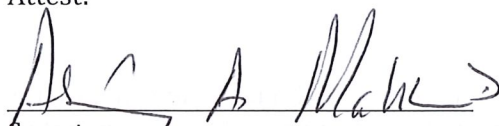
- ❖ Minutes from the December 9, 2019 Commission meeting; and,
- ❖ Bills represented by vouchers No. 191956 to No. 192020 and associated wire transfers inclusive in the amount of \$2,283,968.68.

Dated this 23rd day of December, 2019.



President

Attest:



Secretary

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

Commissioner DeBlieck (PC Chair) reviewed with the Commission the minutes from the December 10th WMU Planning Committee meeting (see attached). The main topic of discussion was the annual review of revisions to the Operations Policies. Following discussion and review, Commissioner DeBlieck offered a motion to approve the minutes of the December 10th WMU Planning Committee meeting as presented. Commissioner Mattern seconded the motion which carried by a vote of six ayes and zero nays.

As related to the December 10th Planning Committee meeting, Commissioner DeBlieck requested the Commission to approve the proposed revisions to the Operations Policies presented. Following review and discussion, Commissioner DeBlieck offered a resolution to approve the Operations Policies incorporating the requested revisions as stated. Commissioner Mattern seconded.

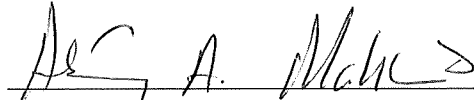
RESOLUTION NO. 49

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the proposed revisions to the WMU Operations Policies be approved in their entirety as presented incorporating the amending changes as identified."

Dated this 23rd day of December, 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 minutes from the December 20th WMU Labor Committee meeting (see attached). The main topics of discussion were: non-union wage adjustment; health insurance; retirement announcement; and, General Manager's year-end review/wage adjustment. Following discussion, Commissioner Weber offered a motion to approve the minutes of the December 20th WMU Labor Committee meeting as presented. Commissioner Magnuson seconded the motion which carried by a vote of six ayes and zero nays.

In conjunction with the Labor Committee meeting, three separate items were presented to the Commission for consideration and approval. The first item was a request to approve a wage adjustment and increase of the health insurance deductible for the Utility's non-union employees beginning January 1, 2020. Following discussion, Commissioner Weber offered a resolution to approve a 3.25% wage increase and to cover the increase of the health insurance deductible (\$100/single; \$200/family) for all non-union employees effective January 1, 2020. Commissioner Magnuson seconded.

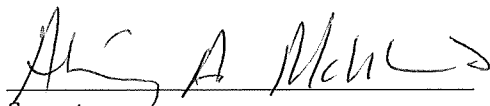
RESOLUTION NO. 50

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that a 3.25% wage increase and adjustment to the health insurance deductible as noted be implemented for all WMU non-union employees effective January 1, 2020."

Dated this 23rd day of December, 2019.


President

Attest:


Secretary

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

The second item presented was a request to approve an increase of the health insurance deductible for all WMU union employees beginning January 1, 2020 (\$100/single; \$200/family). Following discussion, Commissioner Weber offered a resolution to approve an increase of the health insurance deductible for all union employees effective January 1, 2020. Commissioner Magnuson seconded.

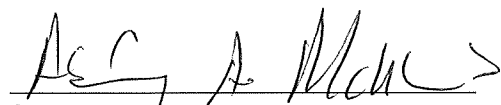
RESOLUTION NO. 51

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that an increase in the health insurance deductible as noted be implemented for all WMU union employees effective January 1, 2020."

Dated this 23rd day of December, 2019.


President

Attest:


Secretary

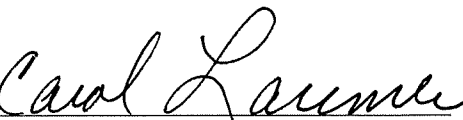
The foregoing resolution was adopted by a vote of six ayes and zero nays.

The third item being requested for approval was a 2020 wage adjustment and insurance adjustment for General Manager Harren. Commissioner Weber stated that an annual review had been conducted which included a performance evaluation survey completed by the Commissioners. The survey data/input had been collected and tabulated by City Attorney Scott with the results reflecting a very positive evaluation of the 2019 performance by General Manager Harren. Commissioner Laumer stated that following the performance evaluation, the Labor Committee was recommending a 3.25% wage increase with a 1% step adjustment along with an increase in the deductible for health insurance (\$100/single or \$200/family, same as union & non-union employees) effective January 1, 2020. Following discussion, Commissioner Weber offered a resolution to approve a 3.25% wage increase with a 1% step increase along with the additional health insurance deductible for General Manager John Harren effective January 1, 2020. Commissioner Laumer seconded.


RESOLUTION NO. 52

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that a 3.25% wage increase with a 1% step wage adjustment (increase) along with an increase in health insurance deductible for General Manager John Harren be approved effective January 1, 2020."

Dated this 23rd day of December, 2019.


President

Attest:


Secretary

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

On behalf of the Commission, Commissioner Laumer expressed her sincere appreciation for the positive leadership and outstanding performance that General Manager Harren provides for the Willmar Municipal Utilities. Laumer continued by further stating the Commission's appreciation to the entire WMU Staff for their productive year and forward progression by the Utility in 2019.

For information, annual departmental updates were presented to the Commission for discussion and review. The reports/updates reviewed were the following:

- 1) Safety & Marketing/Energy Services (Energy Services & Marketing Rep Marotzke)
- 2) 2019 NERC Compliance Update (Compliance/HR Manager Johnson)

Director of Finance Runge presented the Commission with the November 2019 Financial Reports along with a recap of the November 30, 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. Runge noted that also included with the financial data were graphs depicting the 2018/2019 monthly year-to-date revenues, expenses, and retained earnings.

Director of Finance Runge reviewed with the Commission the WMU Cost of Power Report for October 2019. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (0.068 per kWh year-to-date). Also reflected in the analysis is the total year-to-date cost.

Staff Electrical Engineer Smith reviewed with the Commission the State of Minnesota reporting requirements for Distributed Generation. Per Minnesota Rules 7835, all Minnesota electric utilities are required to report on energy generation, tariffs and interconnection status for customer-owned distributed generation facilities. The purpose of the reporting is to ensure WMU has updated rates on file for customers who have distributed generation resources. Smith noted that MRES has assisted in completing the reporting requirements. Following review of the report, Commissioner Laumer offered a motion to approve the 2020 Electric Utility Reporting on Distributed Generation as presented. Commissioner DeBlieck seconded the motion which carried by a vote of six ayes and zero nays.

On behalf of the WMU Staff, Compliance/HR Manager Johnson extended her appreciation to the Commission for approving and allowing the December 13th presentation by Joe Schmit. Mr. Schmit's presentation, "*IMPACT! Leadership Workshop*", provided training focused on engagement, connections and improving company culture. The attendees were led through various exercises that assisted in improving teamwork and communications. The message presented not only focused on the work environment, but the positive effect on everyday life. Johnson noted that monthly support will continue throughout the year (12-month program) to assist in improving techniques and strategies to increase awareness of the impact each individual makes during the course of their day. At this time, Johnson distributed copies of Mr. Schmit's "*The IMPACT Blueprint*" for Commissioners who were unable to attend the workshop.

General Manager Harren was happy to inform the Commission that the reappointment process for eligible Commissioners had been completed. Effective January 1, 2020, the three Council-approved term reappointments are as follows:

- 1) Commissioner Mattern: 2-yr. reappointment term
- 2) Commissioner Mahboub: 3-yr. reappointment term
- 3) Commissioner DeBlieck: 3-yr. reappointment term

Commissioner Laumer thanked all the Commissioners for their commitment of service and time to continuing to serve both the Utility and the Willmar community.

For information: Upcoming meetings/events to note include:

- 2020 APPA Legislative Rally - February 24-26 (Washington, DC)


There being no further business to come before the Commission, Commissioner Laumer declared the meeting adjourned at 12:52 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES


Beth Mattheisen
Administrative Secretary

ATTEST:


Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES

WMU PLANNING COMMITTEE MEETING MINUTES

Tuesday, December 10, 2019 – 12:00 p.m.

WMU Conference Room

Present: Commissioners Bruce DeBlieck & Justin Mattern, General Manager John Harren, Compliance/HR Manager Janell Johnson, Director of Finance Denise Runge, and Administrative Secretary Beth Mattheisen.

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

AGENDA ITEM(S):

1. Annual review of Operations Policies: (Compliance/HR Manager Janell Johnson)

General Manager Harren introduced Compliance/HR Manager Johnson who reviewed with the Committee annual updates proposed for the Operations Policies including the Schedule of Charges. Johnson provided a step-by-step review of the proposed revisions to the 2020 Operations Policies. The following amendments were being recommended by Staff for consideration:

Operations Policy:

- Transfer of account balances change;
- Increase threshold for disconnection of service;
- Clarification of downtown decorative street lighting (LED);
- Addressed multiple services from one water service line;
- Updated energy services programs/language (more aligned with MRES); and,
- Updated appendixes.

Purchasing Policies:

- Minimal changes to note;
- Adding “Missouri River Energy Services” to reflect MRES role re power supply; and,
- All invoices/purchases will now go through the Purchasing Agent for approval.

WMU Emergency Contingency Plan 2020: (Note: This is a living document and updated as required.)

- Contact listings and titles are revised.
- Line, Water & Power Plant each have departmental contingency plans which are combined to form WMU Emergency Contingency Plan.
- Generation/transmission to be addressed in the future.

Schedule of Charges:

- Minimal changes (5);
- Two items solely listed for “place-holder” purposes to be addressed in the future; and,
- Water Service Connection Fees have been increased.

Investment Policy:

- Added benchmark indexes

Recommendation:

Following review of the proposed policies, it was the consensus of the Planning Committee to recommend approval of the proposed policy modifications as presented. Commission approval will be requested at the December 23rd MUC meeting.

2. Miscellaneous:

General Manager Harren informed the Committee that staff has been contacted by ZEP representatives regarding their intent to install electric vehicle (EV) charging stations in Minnesota including the Willmar area. As part of this charging station program through the Volkswagen emission settlement, ZEP has requested the Utility to deviate from the standard electric rate with a reduced rate for the station. Staff is currently compiling data regarding potential load and will be responding with options for ZEP to consider which could include installing multiple meters along with utilization of the Load Share Program without a demand charge. This options could reduce the rate without actually subsidizing the EV program. Additional options will be further addressed if required.

3. Adjournment:

There being no further discussion to come before the WMU Planning Committee, Commissioner Mattern made a motion adjourn. Commissioner DeBlieck seconded the motion which carried by a vote of two ayes and zero nays, and the meeting was adjourned at 12:37 p.m.



WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Friday, December 20, 2019
12:00 p.m.

Attendees: Commissioners Nathan Weber, Ross Magnuson & Carol Laumer, 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 12:01 p.m.

AGENDA ITEMS:

1) 2020 Wage Adjustment (COLA) for Non-Union Personnel :

General Manager Harren and Compliance/HR Manager Johnson opened discussion with the Labor Committee for consideration of a wage adjustment for all non-union employees for 2020 (excluding the General Manager position which will be addressed later in the meeting). It was noted that a three-year wage adjustment for union employees had been formally approved by the Commission on Nov. 13, 2017. Per the union agreement, the established union wage adjustment for 2020 is 2.75%. In reviewing job wage growth information, WMU is not keeping up with job wage growth, therefore falling behind on market trends. Projected growth for 2020 is to hold steady, projected mean of 3.3% and projected median of 3%. Based on the data provided, Johnson requested the Committee to consider a 2020 wage adjustment for non-union staff between 3.00-3.25% to acknowledge wage growth.

Compliance/HR Manager Johnson continued by informing the Committee that staff had been contacted by our current health insurance provider and that the Utility would be receiving a 17% increase in insurance premiums for 2020. Per policy, employees would be responsible for 50% of the increase. With the pending rate increase, discussion was held regarding both the deductible and premium increases.

Input and questions were presented by Committee members including the criteria for COLA adjustments. General Manager Harren stated that if an employee does not meet the expectations set forth by Management, the COLA may be denied based on the individual's performance review. Performance-based compensation of government employees was discussed.

Due to the 17% increase in health insurance premium, it was the recommendation of Staff that the Utility pick up the additional deductible as well as a COLA increase greater than 2.75%. (\$100 single deductible & \$200 family deductible)

Action:

Following review and discussion, Commissioner Magnuson offered a motion to recommend to the Commission the approval of a 3.25% wage adjustment for all non-union employees (excluding General Manager Harren) and to cover the IRS increase in the deductible (\$100/single, \$200/family) as recommended. Commissioner Laumer seconded the motion which carried by a vote of 3 ayes and 0 noes. The recommendation would be presented to the Commission at the Dec. 23rd meeting for approval.

2) Union Request re Insurance Deductible:

Staff informed the Committee that a request to increase the insurance deductible amounts for the 2020 health insurance had been received from IBEW Local #160 (union). Staff was recommending that the Committee increase the deductible the same as recommended for the non-union employees (\$100/single & \$200/family). Premium increase worksheet calculations were reviewed.

Action:

Following discussion, Commissioner Magnuson was recommending that the Utility cover the deductible increase of \$100 on both the single and \$200 family coverage (same as non-union). Commissioner Laumer seconded the motion which carried by a vote of 3 ayes and 0 noes. The recommendation would be presented to the Commission for approval at the Dec. 23rd meeting.

3) Retirement Announcement:

General Manager Harren informed the Committee that a letter of intent to retire had been submitted by Joel Braegelman, Water/Heating Supervisor. The effective date of retirement will be April 30, 2021. Due to the retirement, Harren would propose to the Planning Committee (date TBD) that the Utility move forward with the Water Treatment Plant project. This was for information only.

Director of Finance Runge, and Compliance/HR Manager Johnson left the meeting at this time.

4) General Manager Year-End Review:

An annual review of the General Manager's position was conducted to assist in assessing management/leadership performance and to establish future goals for the position. As part of the review, General Manager Harren presented the Committee with a step-by-step update of the previously established 2019 Goals along with a listing of proposed 2020 Goals. Attorney Robert Scott had once again assisted in the review process by requesting all Commissioners to participate in an annual review survey of the General Manager's performance. The surveys were submitted directly to Attorney Scott who compiled the data and created a summary of the findings received. The evaluation results were reviewed by the Committee.

At this time a step-by-step review of the performance evaluation summary was presented by Commissioner Weber for discussion.

General Manager Harren requested that the Committee provide clarification on a number of comments/items in the summary. Simply stated, additional clarity as related to various projects/issues would be appreciated by the Commission. Sample scenarios were presented by the Committee. Simplify and to provide additional clarity along with consistency on presentations would be welcomed.

Following discussion, General Manager Harren extended his appreciation to the Committee for their positive review of his performance.

The Committee expressed their appreciation to General Manager Harren for the leadership he provides to Utility. It was noted that planning and follow-up of various issues/projects is essential, and General Manager Harren does a great job. His communications and interaction with the Commissioners is also highly regarded.

For example, Commissioner Magnuson brought to the attention of the Committee that recently a meeting of a number of business leaders had been conducted at the Utility. The interaction was outstanding between the area business owners and John (along with Staff members) and greatly appreciated. Harren appreciated the opportunity and relished the support from the community leaders.

At 1:46 pm, the Labor Committee excused General Manager Harren and Admin. Secretary Mattheisen to further discuss the performance review and consideration of a 2020 wage adjustment. At 1:55 pm, the Committee requested Harren and Mattheisen to re-enter the meeting. Commissioner Weber stated that following a step-by-step assessment of the General Manager's very positive performance evaluation, the Labor Committee was recommending a 3.25% wage increase with a 1% step adjustment along with an increase in the deductible for health insurance (same as the non-union employees) effective January 1, 2020. The recommendation will be presented to the Commission for approval at the December 23rd MUC meeting.

5. Miscellaneous:

General Manager Harren informed the Committee that discussion items for the next LC meeting (TBD) will include: 1) review of proposed Operations Policies; and, 2) MUC Self-Evaluation Survey.

6. Adjournment:

There being no further business to come before the WMU Labor Committee, Commissioner Weber offered a motion to adjourn. Commissioner Magnuson seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero nays at 2:05 p.m.