

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES OF JUNE 8, 2020

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting via Zoom (teleconference service) on Monday, June 8, 2020 at 11:45 a.m. with the following Commissioners present: Justin Mattern, Carol Laumer, Abdirizak Mahboub, Nathan Weber, Bruce DeBlieck, Ross Magnuson and Cole Erickson.

Others present at the meeting were: General Manager John Harren, Facilities & Maintenance Supervisor Kevin Marti, Compliance/HR Manager Janell Johnson, Staff Electrical Engineer Jeron Smith, Water & Heating Supervisor Joel Braegelman, IS Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, City Councilmember Shawn Mueske, City Attorney Robert Scott, and WC Tribune Journalist Shelby Lindrud.

Commission President Mattern opened the meeting by presenting a statement prepared by City Attorney Scott regarding the current COVID-19 health pandemic, the peacetime emergency declared by Governor Walz pursuant to MN Statutes, Chapter 12, and the need to conduct our current meetings by telephone or other electronics pursuant to MN Statutes § 13D.021, until such time it is no longer impractical or imprudent for the Commission to resume in-person meetings. As a matter of procedure, let the minutes reflect that all resolutions and motions were conducted by verbal roll call.

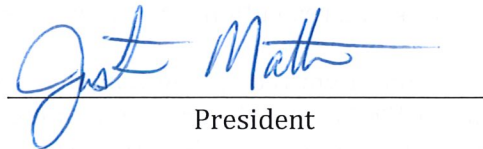
Commissioner Mattern continued by asking if any revisions were needed to the agenda presented. General Manager Harren made a request that the reopening of the office lobby be addressed later in the meeting. Commissioner Mattern concurred with the request. Next, Commissioner Mattern requested a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Laumer offered a resolution to approve the Consent Agenda as presented. Commissioner DeBlieck 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:

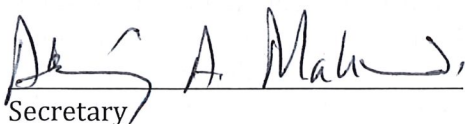
- ❖ Minutes from the May 26, 2020 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20200738 to No. 20200824 and associated wire transfers inclusive in the amount of \$702,716.86.

Dated this 8th day of June, 2020.



President

Attest:



Secretary

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

Commissioner DeBlieck (PC Chair) reviewed with the Commission the minutes from the June 2nd WMU Planning Committee Meeting (see attached). Topics of discussion included: South Substation 69 kV Modification Project; NE Water Treatment Plant Project; and, area donation consideration.

Following review and discussion, Commissioner DeBlieck offered a motion to approve the June 2nd WMU Planning Committee Meeting minutes as presented. Commissioner Laumer seconded the motion which carried by a vote of seven ayes and zero nays.

In conjunction with the June 2nd Planning Committee meeting, there were two specific items requiring Commission approval. The first item being recommended for approval by the Committee was the South Substation 69 kV Modification Project which includes the amended DGR Engineering Agreement. Staff Electrical Engineer Smith provided a brief project description which includes replacement of equipment and relaying on the 69 kV system which has reached end of its life expectancy and lacks proper thermal ratings. The tentative project completion date would be late-March 2021 with an estimated project cost of \$766,495. Following discussion and review, Commissioner Laumer offered a resolution to approve the South Substation 69 kV Modification Project including the amended DGR Engineering Master Agreement, bidding and construction. Commissioner Erickson seconded.

RESOLUTION NO. 18

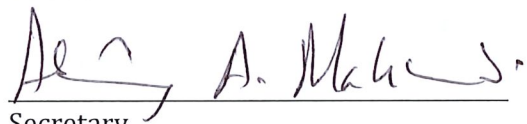
“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the South Substation 69kV Modification Project including the Task Order Amendment No. 6 to the DGR Engineering Master Agreement be approved for the total estimated amount of \$766,495 (including construction, contingencies and engineering). The estimated total cost for the consulting/engineering portion of the project is \$144,000 which consists of all bidding, construction, and final phases of the project.”

Dated this 8th day of June, 2020.



President

Attest:



Secretary

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

The second item requesting Commission approval was for the design of the NE Water Treatment Plant (NEWTP) which includes bidding an onsite sodium hypochlorite system as an alternate or separately and modifications to the Carollo Engineers Service Agreement. General Manager Harren and Water & Heating Supv. Braegelman provided background information relating to the ongoing project. Originally the main goal of the NEWTP Improvements Project was to address the ammonia issue associated with groundwater. The project began in 2012 with the development of a pilot plant. It was determined that by utilizing a biological process, this would address not only the ammonia but also the manganese and iron issues in the water system.

The overall not-to-exceed price for the design portion of the NEWPT project would be \$95,210 (increasing the original contract value of \$983,175 to \$1,078,385). The design portion of the project would be completed by year's end (2020) with actual construction to begin in 2021. The

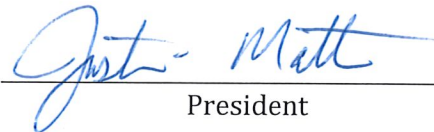
estimated timetable for completion of the project is 2 yrs. with an estimated total project cost of \$12 million. It was noted that financing of this project including potential bond payments was included in the last WMU Rate Study. Therefore the last water rate adjustment implemented, incorporated the costs of this project into the rates using the assumptions of anticipated commodity sales.

Following review and discussion, Commissioner DeBlieck offered a resolution to approve Carollo Engineer to design an onsite sodium hypochlorite system and to bid the system as an alternate or separately. Commissioner Mahboub seconded.

RESOLUTION NO. 19

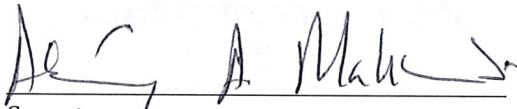
"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Task Order No. 3 between WMU and Carollo Engineers, Inc., for the Northeast Water Treatment Plant Improvements Project be approved in the estimated amount of \$973,000 to design on onsite sodium hypochlorite system and to bid the system as an alternate or separately."

Dated this 8th day of June, 2020.



President

Attest:



Secretary

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

Facilities & Maintenance Supervisor Marti presented the Commission with the May 2020 Wind Turbine Report. Turbine availabilities for the month of May were at 97.7% (Unit #3) and 94.7% (Unit #4) with a monthly total production of 552,522 kWh. The total generation year-to-date is 3,180,524 kilowatt hours. Marti noted that blade inspections had recently been conducted on the units. Turbine #3 has one blade with a "critical repair" which may need to be addressed this year. All recent blade repairs looked good. A final inspection report should be received shortly.

General Manager Harren reviewed with the Commission the WMU Cost of Power Report for April 2020. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (0.069 per kWh year-to-date). Also reflected in the analysis is the month-to-date cost (.057per kWh).

As part of the Silent Impact Workshop presented by Joe Schmit last December, Compliance/HR Manager Johnson presented the Commission with the monthly video update which topics are based on input from WMU employees and/or current events. The video topic for June is entitled "In the Same Storm". At this time, the informational video was viewed.

General Manager Harren requested Commission directive on the reopening of the Utility's lobby area. Currently, the reopening is scheduled for Monday, June 15th. Following input and discussion, it was the consensus of the Commission to cautiously reopen on June 15th with General Manager Harren to have the flexibility to reclose the area if needed. Staff will continue to monitor the situation and have additional safety precautions in place prior to the reopening (i.e. social distancing floor markings, customer capacity limitations, additional sanitizing procedures). If

customers do not abide by the established requirements (i.e. 3-person limitation in the lobby), reclosing of the area may be warranted.

General Manager Harren informed the Commission that Committee meeting of the WMU Labor and Planning Committees would be forthcoming (TBD). Tentative Labor Committee agenda item(s) will include office structure. Tentative Planning Committee agenda item(s) will include: update of commodity sales/revenues; delayed CIP/O&M projects; Willmar/Priam Ownership & Construction Agreement; and, Power Plant Substation Control Building.

For information: 2020 Upcoming meetings/events to note include:

- Red Rock Hydroelectric Project Dedication Ceremony: Aug. 19 (near Pella, IA)
- MMUA Annual Summer Conference – August 24-26 (Cragun's Resort, Brainerd)

There being no further business to come before the Commission, Commissioner Mahboub offered a motion to adjourn the meeting. Commissioner DeBlieck seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 12:30 p.m.

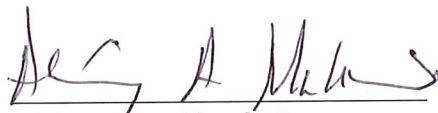
Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES

WMU PLANNING COMMITTEE MEETING MINUTES Tuesday, June 2, 2020 – 12:00 p.m. Zoom Teleconference Meeting

Present/Attending via Zoom teleconference: Commissioners Bruce DeBlieck, Ross Magnuson & Carol Laumer, General Manager John Harren, Compliance/HR Manager Janell Johnson, Staff Electrical Engineer Jeron Smith, Water & Heating Supervisor Joel Braegelman, Administrative Secretary Beth Mattheisen, and Drinking Water Engineer Vincent (Vinnie) Hart of Carollo Engineering.

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

1. South Substation 69 kV Modification Project:

Staff Electrical Engineer Smith provided a PowerPoint presentation to the Planning Committee regarding the modifications being recommended on the 69 kV system at the South Substation. The current substation yard equipment and relaying at the South Sub have reached their life expectancy and lack proper thermal ratings. The project upgrade would include replacing the existing oil-filled breakers with new gas breakers and current relay panels with new panels. The facility upgrades would increase system reliability and thermal ratings. The proposed schedule (installation completion date of March 2021) and estimated project costs of \$766,495 (includes construction, contingencies, and engineering) were reviewed. Staff noted that while a number of capital projects have been postponed at this time due to the current pandemic, staff is recommending this project move forward to secure the additional reliability and benefit the thermal ratings on the Utility's transmission system.

Staff Electrical Engineer Smith continued by requesting an amendment to the current service agreement with DGR Engineering to provide consulting services including design, bidding, construction, and final phase preparation for the South Sub project. The total estimated cost for the consulting services for the project is estimated at \$144,000. Smith reviewed the Task Order Amendment to DGR Engineering Master Agreement for Professional Services. An outline of the bidding phase, construction phase, and final phase involved in the completion of the project was reviewed.

Recommendation:

Following discussion and review, it was the consensus of the Planning Committee to support staff's recommendation to proceed with the South Substation 69 kV Modification Project as presented which includes the DGR Engineering Agreement, bidding, and construction.

This recommendation will be presented to the Commission for consideration and approval at the June 8, 2020 MUC meeting.

2. Water Treatment Plant Project:

Water & Heating Supervisor Braegelman together with Carollo Engineer Hart presented an update to the Planning Committee regarding the Water Treatment Plant Project. Background information regarding the project which began with a pilot plant in 2012 was reviewed. The previously-approved project was postponed in 2019, but due to the increase in community growth (usage) the need to readdress is required at this time.

Engineer Hart reviewed the presentation with the Committee at this time. Included in the presentation were: current status of the project; chlorine alternatives analysis (onsite hypochlorite generation vs. bulk hypochlorite); engineering recommendation; and, timeline to complete design of the project. This project is located at the NE Wellfield and take approximately two years to complete (construction). While the project will assist in dissolving solids associated with salty discharge, the primary benefits would be in addressing iron, manganese, and ammonia in our local water system.

By converting to onsite sodium hypochlorite system, the following factors would be addressed:

- 1) Becoming an industry standard
- 2) Safest option from a hazard perspective
- 3) Utilizes existing building space (not hazardous onsite)
- 4) Allows for bidding as an alternate or separately
- 5) Makes sure electrical capacity is available
- 6) Additional design is required

The current budgeted amount is \$11,236,000 and the inclusion of the onsite sodium hypochlorite system would increase the budget by approximately \$973,000. Upon approval, the design portion for the project can be completed by the end of 2020. Previously, the Utility did not meet the requirements for past funding and/or grants for the project. However at this time, it appears there may be future funding available (i.e. infrastructure bonds) to assist with financing. Relating to the financing of the project, General Manager Harren has been in contact with City reps regarding the possible need to issue future revenue bonds for the project. Bonding would be approx. \$16-17 million for the total project design and associated bonding costs. Harren will be attending the upcoming City Finance Committee meeting scheduled for Thursday, June 4th to further discuss the project.

Recommendation:

Following review and discussion, it was the consensus of the Planning Committee to support staff's recommendation to design an onsite sodium hypochlorite system and to bid the system as an alternate or separately.

This recommendation will be presented to the Commission for consideration and approval at the June 8, 2020 MUC meeting.

3. Donation Consideration:

General Manager Harren reminded the Commission's directive to consider making a donation to a local non-profit association (either Kandiyohi County Food Shelf, UCAP, or Salvation Army) in lieu of the annual Open House which was to be conducted in conjunction with this year's Willmar Fest. Due to the COVID-19 outbreak, the 2020 Willmar Fest has been cancelled and rescheduled for 2021. In light of the evolving dynamics of the current situation, the Utility anticipates a significant financial impact. Therefore, it is the recommendation of staff to delay pursuing a local donation at this time. Staff will continue to monitor the financial data and the subject may again be addressed at a later date.

Recommendation:

Following review and discussion, it was the consensus of the Planning Committee to support Staff's recommendation to delay any donation to local affiliations at this time, and to reassess at a later date.

This recommendation will be presented to the Commission for consideration and approval at the June 8, 2020 MUC meeting.

4. Miscellaneous:

FYI: At their May 26th meeting, the MUC determined that it was in the best interest of all to continue conducting their meetings via Zoom teleconferencing. This subject will be readdressed at the June 22nd MUC mtg.

5. Adjournment:

There being no further discussion to come before the WMU Planning Committee, Commissioner DeBlicke offered a motion adjourn. Commissioner Laumer seconded the motion which carried by a vote of three ayes and zero nays, and the meeting was adjourned at 1:15 p.m.