

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES OF JUNE 22, 2020

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting via Zoom (teleconference service) on Monday, June 22, 2020 at 11:45 a.m. with the following Commissioners present: Justin Mattern, Carol Laumer, Abdirizak Mahboub, Nathan Weber, Bruce DeBlicke, 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, 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. There being none, Commissioner Mattern requested a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented. Commissioner DeBlicke seconded.

RESOLUTION NO. 20

“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 8, 2020 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20200825 to No. 20200901 and associated wire transfers inclusive in the amount of \$2,718,715.03.

Dated this 22nd day of June, 2020.



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 June 16th WMU Labor Committee Meeting (see attached). Topics of discussion focused on organizational structure, along with a semi-annual review of the General Manager's 2020 Goals.

Commissioner Weber noted that in 2012, the number of WMU full-time employees was 60. Due to pending operational changes (i.e. decommissioning of Power Plant and District Heat) and retirements, WMU will have an anticipated total of 32 full-time employees as of August 1st (2020). The newly proposed Organizational Chart would provide both functionality and efficiency to the staffing needs of the Utility. Two positions specifically identified to be addressed were the Director of Finance (DOF) and Director of Operations (DOO) positions. To better identify the position duties and responsibilities, renaming of the DOF to Finance & Office Service Supervisor provides a more accurate reflection of the position. It was further noted that the current DOO position (which has been vacant since 2017) will be readdressed later this year for possible modifications along with the succession plan currently in place for the General Manager position. Staff will continue to analyze staffing needs and make additional modifications as required. Furthermore, Commissioner Weber expressed his appreciation to General Manager Harren for the accomplishments which have been achieved to date on his established 2020 goals.

Following review and discussion, Commissioner Weber offered a motion to approve the June 16th WMU Labor Committee meeting minutes as presented. Commissioner Laumer seconded the motion which carried by a vote of seven ayes and zero nays.

General Manager Harren presented the Commission with the 2020 Energy Acquisition Adjustment (EAA) update. As a reminder, the EAA acts as a mechanism to adjust rates for uncontrollable charges associated with power supply costs. Harren provided background data regarding the EAA noting that the EAA has not implemented since 2017. In the 2019 Rate Study conducted by Dave Berg, power costs were evaluated with a base rate set at \$56/MHw for 2020. We generally experience an increased power supply costs during the summer months of June, July and August. However, based on the current year-to-date rolling average, staff has determined that implementation of an EAA at this time is not required. Staff will continue to monitor future data to determine if or when applying the EAA would be warranted.

Commissioner Mattern requested input from the Commission regarding their thoughts on conducting of upcoming WMU Commission/Committee meetings (Zoom vs in-person meetings). Due to Governor Walz's peacetime emergency declaration regarding COVID-19, it was determined that the most safety-conscious method to conduct all Commission/Committee meetings would be by Zoom teleconferencing, and to readdress the subject at the June 22nd MUC meeting. Commissioner Mattern therefore requested Attorney Scott to provide insight to the current meeting standards presented as they relate to the peacetime emergency declaration. Attorney Scott stated that while the Governor's order remains unchanged, it is legal to conduct in-person meetings with safety precautions in place; however, remotely conducted meetings continue to be strongly encouraged. Following discussion, it was the consensus of the Commission to continue with the current method of Zoom teleconferencing for all MUC/Committee meetings at this time and to readdress the subject at the July 27th MUC meeting.

As a member of Missouri River Energy Services (MRES), the Utility is provided a monthly update from the MRES and Western Minnesota Municipal Power Agency (WMMPA) Board of Directors meeting. The update provides a brief overview of the topics discussed by the Boards and the actions taken. General Manager Harren noted that MRES has reduced its carbon intensity by 72% from 2005, while energy sales have increased by 40%. A summary of the June 4, 2020 MRES and WMMPA Board of Directors meeting was presented for review.

General Manager Harren provided the Commission with the final monthly District Heating (DH) update. As a reminder, the termination date for all DH service is July 1st. To date, 63 customers remain active on the DH system (down from 75 last month). Of the remaining customers, 4 utilize the DH solely for the heating of their tap water. All DH customers are aware of the situation and timeline involved in the termination of the system. As previously stated, a number of the customers

have indicated their intent to delay the conversion transition until the fall heating season. Commissioner Mattern commended staff for their attentiveness and assistance provided to WMU customers throughout the lengthy conversion process (3 yrs.). General Manager Harren stated that after July 1st, the next step in the decommissioning process will be to schedule removal of all DH equipment as needed.

General Manager Harren informed the Commission that an update of the financial impact of COVID-19 on the Utility will be presented at the July 13th MUC meeting. This information will contain a high level overview of the commodity sales/revenues as it correlates to the current pandemic. This information was originally reviewed at the May 26th MUC meeting.

General Manager Harren informed the Commission that Committee meetings of the WMU Labor and Planning Committees would be forthcoming (TBD). 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:

- WMU Employee Recognition Luncheon/Meeting: June 26 @ 12:00 pm (Service Center)
- MMUA Annual Summer Conference: August 24-26 (Cragun's Resort , Brainerd) *tentative*

There being no further business to come before the Commission, Commissioner Magnuson offered a motion to adjourn. Commissioner DeBlieck seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 12:26 p.m.


Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:


Abdirizak Mahboub, Secretary



**WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Tuesday, June 16, 2020 @ 12:00 pm
Zoom Meeting (teleconference)**

Attendees: Commissioners Nate Weber & Cole Erickson, General Manager John Harren, Compliance/HR Manager Janell Johnson, and Administrative Secretary Beth Mattheisen. Absent was Commissioner Abdirizak Mahboub.

Commissioner Weber (LC Chair) called the meeting to order at 12:00 pm.

1. Organizational Structure:

General Manager Harren and Compliance/HR Manager Johnson reviewed with the Labor Committee data relating to the current and proposed revisions to WMU's organizational structure. Due to decommissioning of the Power Plant and District Heat system along with joining a joint action agency, WMU's staffing needs and position responsibilities are changing.

In 2012, WMU had 60 full-time employees throughout the Utility. With the pending changes and adjustments to the future operational needs, WMU will have a total of 32 full-time employees as of August 1, 2020. This is a reduction of 28 full-time positions. A review of the current WMU Organizational Chart (January 1, 2020), and a proposed WMU Organizational Chart (August 1, 2020) were presented for review. The newly proposed Organizational Chart would provide structure that would add both functionality and efficiency to the staffing needs of the Utility.

One position specifically addressed on the proposed Organizational Chart was the Director of Finance position. Due to the supervisory and functional responsibilities of this position, renaming of the position to Finance and Office Services Supervisor would better reflect the position and its responsibilities.

Along with the reduction of personnel, attention was given to the current Director of Operations (DOO) position which has been vacant since General Manager Harren accepted the position of General Manager. In 2019, the Labor Committee created a succession plan to identify individual staff members in leadership positions who could fill the critical business needs of our organization in the event General Manager Harren would be unavailable for either a short or long-term period. The succession plan in place is reviewed annually and due for the next review in September (2020). The Committee is being asked to consider amending the current DOO position to better reflect the functions and responsibilities of the position.

The presented data was for information only with no formal action required. Staff was requesting the Labor Committee and Commission to concur with the staff recommendations as presented.

Following review and discussion, the Labor Committee concurred with staff to proceed with the following structural revisions to the WMU Organizational Chart: Change the Director of Finance title to Finance and Office Services Supervisor and move the IS Coordinator position under the General Manager. It was further stated that, upon the annual review of the current succession plan for the General Manager, the Director of Operations position will be readdressed with potential modifications to be made to the position (i.e. title change to Assistance General Manager, job responsibilities/duties) along with any additional organizational changes needed at that time.

2. General Manager's 2020 Goals Update (semi-annual review):

General Manager Harren presented the Committee with a step-by-step review of the 2020 General Manager's Goals to date. The established goals were approved by both the WMU Labor Committee and Commission in 2019.

Following review and discussion, the Committee members thanked General Manager Harren for his continued efforts in attaining and surpassing the goals set before him.

General Manager Harren thanked the Labor Committee for their continued support and opportunities presented by the Labor Committee and Commission.

3. Adjournment:

There being no further business to come before the WMU Labor Committee, Commissioner Weber declared the meeting adjourned at 12:45 pm.



