

**WILLMAR MUNICIPAL UTILITIES COMMISSION**  
**MEETING MINUTES OF NOVEMBER 9, 2020**

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, November 9, 2020 at 11:45 a.m. with the following Commissioners present: Justin Mattern, Abdirizak Mahboub, Nathan Weber, Bruce DeBlieck and Cole Erickson. Absent were Commissioners Carol Laumer and Ross Magnuson.

Others present at the meeting were: General Manager John Harren, Compliance/HR Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, Water Supervisor Alan Neer, IS Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, and City Attorney Robert Scott.

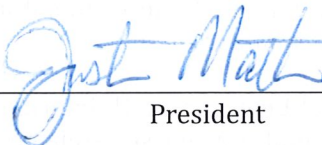
Commissioner Mattern opened the meeting by asking if any revisions were needed to the agenda presented. There being none, Commissioner Mattern requested a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented. Commissioner DeBlieck seconded.

**RESOLUTION NO. 37**


“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 October 26, 2020 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20201542 to No. 20201604 and associated wire transfers inclusive in the amount of \$229,294.38.

Dated this 9<sup>th</sup> day of November, 2020.

  
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President

Attest:

  
\_\_\_\_\_  
Secretary

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

Finance & Office Services Supervisor Prekker presented the Commission with the September 2020 Financial Reports along with a recap of the September 30, 2020 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. Graphs depicting the 2019/2020 monthly year-to-date revenues, expenses, and retained earnings were also included with the financial data.

Finance & Office Services Supervisor Prekker continued by reviewing with the Commission the WMU Cost of Power Report for September 2020. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (.069 per kWh twelve-month rolling average). Additional data reflecting the month-to-date cost (.084 per kWh) was also presented for review.

Facilities & Maintenance Supervisor Marti presented the Commission with the October 2020 Wind Turbine Report. Turbine availabilities for the month of October were at 94.8% (Unit #3) and 97.2% (Unit #4) with a total monthly production of 675,543 kilowatt hours. The total generation year-to-date for 2020 is 5,592,054 kilowatt hours. It was noted that following discussion at the October 12<sup>th</sup> MUC

meeting, the Commission had requested staff to compile additional data regarding the damaged blade bearing on Unit #4. At this time, Marti presented the Commission with the inspection results along with repair options to be considered for the 12-year old turbines (projected life span is 20 years). At this time, it was the recommendation of staff to continue normal operation of the turbines and to continue to monitor/inspect the units weekly for any additional developments. Following discussion, the Commission concurred with the staffing recommendation as presented.

General Manager Harren and Finance & Office Services Supv. Prekker informed the Commission that the WMU would be receiving a one-time refund of 10% of their power supply bills incurred from August 2019 to July 2020 from Missouri River Energy Services (MRES). This refund is the result of varying effects on MRES members across the nation (fewer energy sales due to COVID-19 and numerous expenses which came in under budget). MRES will distribute the refunds in early December (2020).

Finance & Office Services Supv. Prekker continued by stating that the refund will automatically be deposited into WMU's power supply account. It is staff's recommendation to retain these funds in the power supply account to offset upcoming power supply costs. By applying the refund to the power supply costs for 2020, it would lower the average 2020 power supply cost from \$56.01/MWH to \$54.86/MWH based on assumptions for October, November and December. Prekker noted that the threshold for implementing an Energy Acquisition Adjustment (EAA) is \$56.00/MWH. Therefore, no EAA would be required at this time. Following discussion, it was the consensus of the Commission to concur with staff's recommendation as presented.

Staff Electrical Engineer Smith informed the Commission that due to an unexpected oil level rise in the Load Tap Changer (LTC) tank of one of WMU's 230/69KV transformers, an inspection was performed on the unit. The Toshiba transformer is located at the Willmar Substation and is one of two transmission transformers that supply power to WMU's distribution substation transformers. Solomon conducted the inspection with no issues being identified, and the LCT passed both physical and electric inspection testing. Staff will continue to monitor the Toshiba oil levels throughout the year and re-assess the situation next summer.

Staff Electrical Engineer Smith informed the Commission that WMU and Great River Energy (GRE) are parties to several transmission-related agreements. A number of these agreements contain data which is no longer relevant due to changes in industry and/or equipment ownership. GRE is requesting a new agreement to govern all existing, new and modified points of interconnection be established. The agreement defines ownership and maintenance responsibilities of the parties and governs the interconnected operations of the parties' respective facilities and equipment at the points of interconnection. A draft of the Master Transmission-to-Transmission (TT) and Transmission-to-Load (TL) Interconnection Agreement between WMU and GRE was reviewed. It was noted that staff and legal counsel for both parties have reviewed and approved the proposed agreement. Following discussion, Commissioner Mahboub offered a resolution to authorize the execution of the Master Agreement between GRE and WMU upon finalization of all required attachments and exhibits as required. Commissioner DeBlieck seconded.

### **RESOLUTION NO. 38**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that execution of a Master Transmission-to-Transmission and Transmission-to-Load Interconnection Agreement between Great River Energy and Willmar Municipal Utilities and MidContinent Independent System Operator, Inc., be approved upon the finalization of all attachments/exhibits as required."

Dated this 9<sup>th</sup> day of November, 2020.

  
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President

Attest:

  
Secretary

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

The Utility was recently contacted by a property owner requesting financial assistance from WMU for replacement of a water line service. Staff drafted language to address the issue and forwarded to legal counsel (Flaherty & Hood) for review. General Manager Harren and Water Supervisor Neer presented the Commission with the amended WMU policy which addresses liens and assessments along with a Consent to Assessment Agreement. Following review and discussion, Commissioner Mahboub offered a resolution to approve the amended WMU Liens and Assessment Policy (Operations Policy 2.7) as presented along with the Consent to Assessment Agreement and Waiver of Irregularity and Appeal Agreement. It was further a consensus of the Commission that the established interest rate be re-addressed at a future meeting of the WMU Planning Committee. Commissioner DeBlieck seconded.

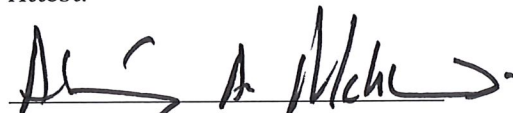
### RESOLUTION NO. 39

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Section 2.7 of the WMU Operations Policy regarding the placement of property liens be approved as amended to reflect verbiage addressing water service line replacement along with the Consent to Assessment Agreement and Waiver of Irregularity and Appeal Agreement as presented."

Dated this 9<sup>th</sup> day of November, 2020.

  
President

Attest:

  
Secretary

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

General Manager Harren reviewed with the Commission a listing of proposed educational topics to be presented to the Commission throughout 2021. These informational updates are presented to assist in keeping the Commission well-informed of various topics/issues, projects, policies, and departmental developments throughout the year. Commission input is greatly valued and welcomed to assist in determining topics of interest relevant in keeping the board abreast of the Utility and its operations. Following discussion, it was the consensus of the Commission to concur with the 2021 WMU Commission Listing of Anticipated Educational Subjects as presented.

As part of the Silent Impact Resolution Workshop presented by Joe Schmit, Compliance/HR Manager Johnson presented the Commission with the November video update entitled "Joy". The topics presented continue to be relevant, timely and thought provoking for all. At this time, the informational video was viewed.

General Manager Harren informed the Commission that due to the continued concerns regarding COVID-19, the 2021 APPA Legislative Rally will be a "virtual event". The Rally will be held during the first week of March. While there is no cost to attend, registration is required.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming (TBD). Tentative Labor Committee agenda items include: labor

negotiations, Renewable Energy Program, Personnel Policies, GM annual review, health insurance, and non-union COLA & market adjustment. Tentative Planning Committee agenda item(s) include: Power Plant Phases I & II Environmental Studies, Willmar/Priam Ownership & Construction Agreement, Power Plant Substation Control Building, and Operations Policies.

There being no further business to come before the Commission, Commissioner Mattern offered a motion to adjourn. Commissioner Mahboub seconded the motion which carried by a vote of five ayes and zero nays, and the meeting was adjourned at 12:41 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

  
Beth Mattheisen  
Administrative Secretary

ATTEST:

  
Abdirizak Mahboub, Secretary