

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES OF NOVEMBER 23, 2020

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting via Zoom (teleconference service) on Monday, November 23, 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, Compliance/HR Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, IS Coordinator Mike Sangren, Energy Safety Outreach Coordinator Chris Radel, Administrative Secretary Beth Mattheisen, City Councilmember Shawn Mueske, Attorney Alissa Harrington of Flaherty & Hood, P.A, and WC Tribune Journalist Shelby Lindrud.

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. (Note: Due to the teleconference format being used for today's meeting, all resolutions and motions were conducted using verbal rollcalls.) Following review and discussion, Commissioner Laumer offered a resolution to approve the Consent Agenda as presented. Commissioner Mahboub seconded.

RESOLUTION NO. 40

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

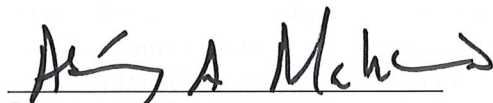
- ❖ Minutes from the November 9, 2020 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20201605 to No. 20201665 and associated wire transfers inclusive in the amount of \$1,600,527.69.

Dated this 23rd day of November, 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 November 12th WMU Labor Committee meeting minutes (see attached). Following a review of the minutes, Commissioner Weber offered a motion to approve the minutes as presented. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays. It was noted that as in the past, a staff-wide survey will be conducted in conjunction with the annual staffing reviews to gain additional insight and comments from all employees.

Following approval of the Labor Committee meeting minutes, Commissioner Weber requested the Commission to approve the recommended change in WMU's health insurance provider for 2021. Following review of coverage and cost options, Commissioner Laumer offered a motion to approve the change in health insurance provider to SWWC Service Cooperative for Blue Cross Blue Shield of MN for 2021. Commissioner Weber seconded the motion which carried by a vote of seven ayes and zero nays.

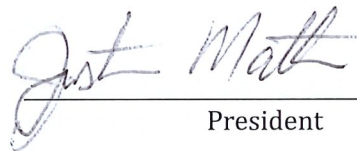
General Manager Harren reviewed with the Commission regarding Time-of-Use (TOU) wholesale energy rates which will be implemented by Missouri River Energy Services (MRES) beginning in 2023. The TOU energy rates were developed to assist in reducing the costs of MRES, its member utilities, and retail customers through increased usage of lower costs, off-peak power. The TOU rates will benefit MRES member utilities and their customers. In 2017, MRES notified its members of their intent to utilize TOU rates. The financial impact to Willmar is expected to be a 0.3% increase of total power supply costs, or \$12,787 (assuming no change in energy use from 2019).

General Manager Harren presented the Commission with the 2021 WMU Consultant Listing. This listing consists of consultants (along with project descriptions and costs) which have been budgeted to be utilized for various projects throughout the year. It was further noted that all projects requiring consulting services over \$5,000 not listed will be brought before the Commission for approval. Following review and discussion, Commissioner DeBlieck offered a resolution to approve the 2021 WMU Consultant Listing as presented. Commissioner Magnuson seconded.

RESOLUTION NO. 41

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the 2021 WMU Consultant Listing be approved as presented."

Dated this 23rd day of November, 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 a 2020 update of the WMU Strategic Initiatives (including task listings). Marti provided step-by-step updates for each of the six specific components that make up the Strategic Initiatives (Admin & Ops Buildings; Financial Position; Generation: Gas/Diesel & Power Plant; Generation: Renewable Energy; Substations/Transmission; and, Water Treatment Plant). One project reviewed was the Substation Rental Generation Project (Power Plant and South Substations). Staff Electrical Engineer Smith provided information regarding the factors involved in the process to interconnect with the WMU transmission system. Staff will continue to research and compile additional data which will be presented to the Commission at their December 14th meeting (including timeline for substation work to establish the temporary, portable power source). Marti further stated that staff is recommending that a complete update of the WMU Strategic Plan and Initiatives be conducted in early 2021 (spring). Following completion of the update in its entirety, the plan will be reviewed by the Planning Committee prior to being presented to the full Commission for approval.

Energy Safety Outreach Coordinator Radel presented the Commission with an update of the financial impact the COVID-19 pandemic has had on our utility through September 30th. The information provided contained a high-level overview of the commodity sales/revenues as it correlates to the current pandemic. The data was originally presented to the Commission April with periodic updates following in May and July. Among the data presented were: 1) late charges incurred from mid-February thru September of \$260,491.09; 2) past due history (both electric & water); 3) effect of COVID-19 on electric load (demand); 4) kWh sales (electric); 5) revenue data for both electric & water; 6) YTD water sales comparisons (Feb-Sept 2019 vs 2020); 7) potential financial losses through September; and, 8)

budgeted amounts differed by delaying specific projects. Potential revenue losses are estimated at \$3.025 million with a current (as of Sept. 30th) total loss of \$622,080.09 (projections consist of disconnect fees, late fees, bankruptcies, and reduced sales). The cost reduction of projects delayed (both Capital and O&M) is estimated at \$2.45 million. The difference of the loss in revenue versus delayed project costs would be made from the Catastrophic Fund Balance (\$572,350). Any additional opportunities to assist in decreasing WMU cost will be investigated by staff. Staff is also aware of the impact the pandemic may have on the 2021 WMU Budget (previously approved). Adjustments may need to be addressed in the upcoming year. Staff will continue to monitor the situation and provide updates to the Commission as required.

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

General Manager Harren provided the Commission with the latest Covid-19 update which included additional measures being implemented by the Utility in an effort to slow the spread of the virus (i.e. lobby closure, non-employee restrictions from entering facilities, return to Zoom meetings, dividing staff).

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. The Labor Committee will be meeting on Wed., Nov. 25th with topics of discussion to include: RECs Program (Renewable Energy Credits) and labor negotiations. Tentative future Labor Committee agenda items include: Personnel Policies, GM annual review, and non-union COLA & market adjustment. Tentative future 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.

For information: Upcoming meetings/events to note include:

- WMU LC Mtg. (Zoom); November 25th @ 12:00 pm
- WMU/IBEW contract negotiations: December 1 & 2 ("placeholders")
- 2021 APPA Legislative Rally (virtual): March 1 & 2

There being no further business to come before the Commission, Commissioner Laumer offered a motion to adjourn. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 1:03 p.m.


Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Thursday, November 12, 2020 @ 12:00 pm
WMU Office Building

Attendees: Commissioners Nate Weber, Abdirizak Mahboub & Cole Erickson, General Manager John Harren, Finance & Office Services Supervisor Andrea Prekker, Compliance/HR Manager Janell Johnson, and Administrative Secretary Beth Mattheisen.

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

1. Customer Concerns:

The Labor Committee meet to discuss recent customer concerns that were submitted anonymously to Labor Committee members. After a brief discussion, General Manager Harren joined the meeting and was made aware of the concerns. The consensus of the Committee is that no specific action can be taken due the anonymous nature of the concerns.

2. 2021 Health Insurance:

General Manager Harren and Finance & Office Services Supv. Prekker presented the Committee with options regarding employee health insurance for 2021. Request for Proposals had been sent to six companies by our insurance advisors, North Risk Partners. Prekker noted that WMU is considered a "small group" since the number of employees is now below 50. Two comparable options were being considered. Coverage and cost options along with the staff's recommendation were presented for consideration.

Following discussion, Commissioner Mahboub offered a motion to recommend approval of the option submitted by SWWC Service Cooperative for Blue Cross Blue Shield of MN health coverage for 2021. Commissioner Weber seconded the motion which carried by a vote of three ayes and zero nays. Commission approval will be requested at the November 23rd MUC meeting.

Note: Staff will inform WMU employees of the impending change in their health insurance provider and the costs associated with their coverage (single/family).

3. Union Negotiations Update:

Commissioner Weber reviewed with the Committee the current status of union negotiations between WMU and IBEW Local Union #160. While a verbal agreement had been reached between the two parties on October 20th, union members subsequently voted down the proposed contract amendments.

The Labor Committee will schedule a meeting this month to further discuss labor contract negotiations prior to the next negotiating session which is tentatively scheduled for December 1st with the afternoon of December 2nd as a placeholder.

4. Adjournment:

There being no further business to come before the Labor Committee, Commissioner Mahboub offered a motion to adjourn. Commissioner Weber seconded the motion which carried by a vote of three ayes and zero nays, and the meeting was adjourned at 1:23 pm.