

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES OF DECEMBER 14, 2020

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting via Zoom (teleconference service) on Monday, December 14, 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, Compliance/HR Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Water Systems Supervisor Alan Neer, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, IS Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, City Councilmember Shawn Mueske, Attorney Robert Scott, and WC Tribune Journalist Shelby Lindrud.

Commissioner Mattern opened the meeting by asking if any revisions were needed to the agenda presented. Commissioner DeBlieck asked to include a brief MMUA update prior to the conclusion of the meeting. Following acceptance of the additional item, 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 by verbal rollcall.) Following review and discussion, Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented. Commissioner DeBlieck seconded.

RESOLUTION NO. 42

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

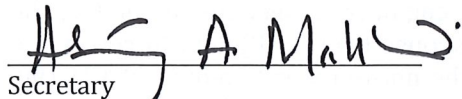
- ❖ Minutes from the November 23, 2020 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20201666 to No. 20201744 and associated wire transfers inclusive in the amount of \$1,063,944.74.

Dated this 14th day of December, 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 minutes from the November 25th WMU Labor Committee meeting (see attached). Following review, 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.

Following approval of the minutes, Commissioner Weber requested the Commission to support the Labor Committee's recommendation to approve the purchase of remaining RECs (Renewable Energy Credits) at a cost of \$11,324.54. By purchasing the remainder of the RECs, Willmar would be designated as a 100% clean, carbon-free energy community. It was noted that this was for 2021 only and will be addressed annually. Staff will furthermore provide additional data on WMU's website informing the community of the REC purchase in support of clean energy. Following review, Commissioner Weber offered a motion to approve the purchase of remaining RECs by WMU in the amount of \$11,324.54. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

Commissioner Weber stated that following a labor negotiation session held on December 1st, a tentative agreement between WMU and IBEW Local #160 had been reached for a three-year labor agreement

(2021-2023). A summary of the tentative agreement was presented for review which includes a 3% wage increase for each of the three years along with additional terms and conditions as proposed. The proposed labor agreement between WMU and IBEW had been presented and accepted by the membership on December 9, 2020. Following discussion, Commissioner Weber offered a resolution to approve the three-year labor contract with WMU's union employees as presented. Commissioner Mahboub seconded. Commissioner Weber further expressed his appreciation to his fellow Labor Committee members and WMU staff who were involved in the successful completion of the labor negotiations.

RESOLUTION NO. 43

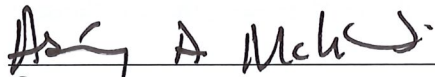
"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the three-year labor agreement between Willmar Municipal Utilities and IBEW Local Union #160 employees which includes incorporating a 3% wage increase in 2021, 2022, and 2023 along with specified market adjustments be approved as presented."

Dated this 14th day of December, 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 minutes from the December 7th WMU Planning Committee meeting (see attached). Following review, Commissioner DeBlieck offered a motion to approve the minutes as presented. Commissioner Laumer seconded the motion which carried by a vote of seven ayes and zero nays.

In conjunction with the Planning Committee meeting, the Commission was asked to approve an agreement with Short Elliott Hendrickson, Inc. (SEH) to provide engineering services to conduct the AWAI Risk and Resilience Assessment (RRA), the Emergency Response Plan (ERP), and to certify the data with the Environmental Protection Agency as required for the not-to-exceed amount of \$21,190. The timeline for the completion of the mandated requirements was presented. Following discussion, Commissioner DeBlieck offered a resolution to approve the agreement with SEH to provide engineering services to conduct the AWAI RRA and ERP as required for the not-to-exceed amount of \$21,190. Commissioner Laumer seconded.

RESOLUTION NO. 44

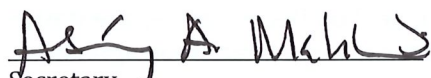
"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the agreement with Short Elliot Hendrickson, Inc. of St. Cloud, Minnesota, to provide professional engineering services for work associated with the AWIA Risk & Resilience Assessment and Emergency Response Plan be approved in the not-to-exceed amount of \$21,190."

Dated this 14th day of December, 2020.



President

Attest:



Secretary

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

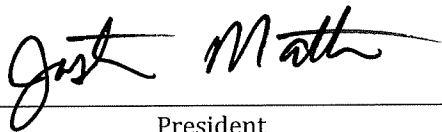
Additional items relating to the Planning Committee meeting included condensed versions of presentations from the December 7th meeting were given. The first was the Power Plant Environmental Studies & Hazardous Materials Survey which included a project timeline and funding data. Immediately following the regular MUC meeting today, a Work Session will be held between the Commission and representatives from Wenck & Associates who had completed the environmental studies associated with WMU's Power Plant facility. The information provided insight and potential costs associated with the future of the Power Plant site (demolishing vs repurposing of the site). In the near future (January?), a joint Work Session between WMU, Wenck, and the City Council would be scheduled to present the study findings for consideration.

The second condensed presentation was regarding the Priam Substation Expansion and Power Plant Substation Relocation Projects. Staff Electrical Engineer Smith provided background information along with project descriptions for the substation projects. General Manager Harren further added the advantages of participation in the Priam Sub Expansion as a transmission investment for the Utility. Relating to the Priam Substation Project, WMU intends to commission a second 115 kV transmission line as part of the regional transmission reliability improvement. This project will increase WMU's transmission reliability along with producing a stronger power grid for Willmar and its surrounding area. Following review and discussion, Commissioner DeBlieck offered a resolution to approve Task Order #7 with DGR Engineering to provided consulting services for the Priam Substation Expansion Project in the amount of \$184,000. Commissioner Laumer seconded.

RESOLUTION NO. 45

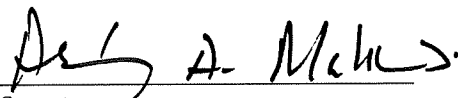
"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Task Order #7 with DGR Engineering of Rock Rapids, Iowa, to provide consulting services for the Priam Substation Expansion Project in the amount of \$184,000 be approved as presented."

Dated this 14th day of December, 2020.



President

Attest:



Secretary

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

Finance & Office Services Supervisor Prekker presented the Commission with the October 2020 Financial Reports along with a recap of the October 31, 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 October 2020. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (.066 per kWh twelve-month rolling average). Additional data reflecting the month-to-date cost (.049 per kWh) was also presented for review.

Facilities & Maintenance Supervisor Marti presented the Commission with the November 2020 Wind Turbine Report. Turbine availabilities for the month of November were at 73.7% (Unit #3, experienced an electrical fault) and 95.3% (Unit #4) with a total monthly production of 788,202 kilowatt hours. The total generation year-to-date for 2020 is 6,380,256 kilowatt hours.

Due to time constraints involving the scheduled Work Session with Wenck & Associates, Commissioner Weber offered a motion to table the agenda item entitled "Emergency Generation Response Plan" until the December 28th MUC meeting. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

General Manager Harren informed the Commission that the summary of the November 12th MRES Board Meeting was included with their meeting data along with the MRES video summary which was available for their viewing.

Commissioner DeBlieck informed the Commission that MMUA's plans to purchase a new facility are currently on hold. In other news, long-time employee Jack Kegel has announced his retirement from his Executive Director position effective June 2021. Jack has been a valuable asset to the MMUA family and will be greatly missed. MMUA is open to any suggestions from its members to assist in filling the vacancy left by Jack's retirement.

General Manager Harren informed the Commission of additional data which has been uploaded to the iPads for their information. The first item is the official notice from MRES of the S-1 Rates (including Rate Schedules B & C) for January 1, 2021. The second item included was the Flaherty & Hood, P.A.s hourly rates for providing legal services for 2021. The third item to note was the revised COVID-19 Financial Impact Update which was originally presented to the Commission on November 23rd.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. The Labor Committee will be conducting a Zoom meeting on Tuesday, November 22nd @ 8:00 am to discuss the following topics: Personnel Policies (annual review), non-union COLA & market adjustments, and General Manager's annual review. Tentative future Planning Committee agenda item(s) include: Power Plant Substation Control Building and Operations Policies (annual review).

For information: Upcoming meetings/events to note include:

- WMU LC Mtg. (Zoom); December 22nd @ 8:00 am
- 2021 APPA Legislative Rally (virtual): March 1 & 2

There being no further business to come before the Commission, Commissioner Mattern offered a motion to adjourn. Commissioner Laumer seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 12:45 p.m.


Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES

MUC Labor Committee Meeting Minutes Wednesday, November 25, 2020 @ 12:00 pm Zoom Teleconference Mtg.

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

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

1. REC Program Update (Renewable Energy Credits):

Safety/Energy Outreach Coordinator Radel conducted a presentation reviewing the Renewable Energy Credit Program (REC). The program is offered to WMU customers as an incentive to both produce and purchase renewable energy and carbon-free energy. Energy represented by RECs are fed into transmission lines throughout the US. Missouri River Energy Services (MRES) and the electrical industry as a whole has shifted their focus from renewable energy to carbon-free energy (due to a lack of dependable production from renewables) along with adjusting the responsibility for clean energy from utilities to generators. Radel explained MRES's new methodology used based on industry trends for calculating each utility's carbon footprint.

In 2018, WMU's power supply mix was 34% renewable power supply, and 66% carbon-free power supply. As of 2019, 96% of WMU's energy is clean, carbon-free energy. Currently, approximately 70 WMU customers are enrolled in the REC program and pay an additional \$0.005/kWh on 66% of their total consumption. In 2020, the Commission agreed to purchase renewable energy power on behalf of WMU's power usage to become 100% renewable. MRES has reduced the 2021 REC prices from \$.005/kWh to \$.001/kWh. Based on 2019 usage, the cost for WMU to be 100% clean, carbon-free would be \$11,324.54. Options regarding WMU's energy credits were presented for consideration.

General Manager Harren stated that it is staff's recommendation to have WMU pay for the remaining energy credits (\$11,324.54) and the community would be marketed as clean energy to individual customers. As in the past, this is a one-year commitment and would be addressed annually.

Following discussion, Commissioner Weber offered a motion to support Option #1 which would entail WMU to pay for the remaining credits to become 100% carbon-free at a cost of \$11,324.54 (based on 2019 consumption data). Commissioner Erickson seconded the motion which carried by a vote of three ayes and zero nays. The Committee further requested staff to present a condensed version of the presentation to the Commission at the Dec. 14th MUC meeting.

2. Union Negotiations Update:

Commissioner Weber reviewed with the Committee the current status of labor contract 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 against ratifying the proposed contract amendments. Discussion was held in preparation for the upcoming negotiating session scheduled for December 1st (1:00-4:00 pm). It was further noted that December 2nd (afternoon) is a "placeholder" in the event a subsequent meeting is required.

3. Miscellaneous:

Following discussion, it was the consensus of the Labor Committee to offer to the Commission their willingness to oversee the Catastrophic Event Plan which had previously been under the supervision of the Planning Committee.

4. Adjournment:

There being no further business to come before the Labor Committee, Commissioner Weber offered a motion to adjourn. Commissioner Mahboub seconded the motion which carried by a vote of three ayes and zero nays, and the meeting was adjourned at 1:25 pm.



WILLMAR MUNICIPAL UTILITIES

**WMU PLANNING COMMITTEE MEETING MINUTES
Monday, December 7, 2020 @ 11:00 am
Zoom Teleconference Mtg.**

Present: Commissioners Bruce DeBlieck, Ross Magnuson & Carol Laumer, General Manager John Harren, Finance & Office Services Supervisor Andrea Prekker, Water System Supervisor Alan Neer, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, and Administrative Secretary Beth Mattheisen.

Commissioner DeBlieck (PC Chair) called the meeting to order at 11:04 am.

1. AWIA Risk and Resilience Assessment and Emergency Response Plan:

Water System Supv. Neer reviewed with the Planning Committee a number of procedures which are required of Willmar's water system. In Oct. 2018, the America's Water Infrastructure Act (AWIA) was signed into law amending the previous Safe Drinking Water Act. This change requires WMU to conduct a Risk and Resilience Assessment (RRA) of Willmar's water system, create or update an Emergency Response Plan (ERP), and to certify the data with the Environmental Protection Agency (EPA). The first step (RRA) is due by June 30, 2021, followed by the completion of the ERP due within 6 months after submission of the RRA. Neer noted that WMU currently has a company-wide ERP in place, and this update would provide additional clarity in the event of an emergency.

Following solicitation for proposals, three proposals were received to provide consulting services to complete the required tasks and to validate completion with EPA. Following review of proposals, it is the recommendation of staff to award the bid to SEH to provide consulting services to perform the RRA in the amount of \$21,190. It is further recommended to award the bid in a timely fashion to provide ample time for WMU's Water Dept. personnel to compile and submit the necessary data to SEH so that the January 1, 2021 start date to conduct the RRA may begin.

Recommendation:

Following review and discussion, it was the consensus of the Planning Committee to recommend approval of the agreement with SEH to provide consulting services to conduct the AWAI Risk and Resilience Assessment and Emergency Response Plan as required for the not-to-exceed amount of \$21,190.

Request Commission approval at the Dec. 14th MUC mtg.

2. Power Plant Environmental Studies & Hazardous Materials Survey (Wenck Associates):

Facilities & Maintenance Supv. Marti provided the Planning Committee with the findings of the completed Power Plant Environmental Studies & Hazardous Materials Survey. Wenck was awarded the contract with the scope of work to include: 1) Phases I & II Environmental Site Assessments (ESA); 2) Pre-Demolition Hazardous Materials Survey; and, 3) Abatement and Demolition Costs Opinions.

Phase I Environmental Study included: review records; site reconnaissance; interviews; and, reporting. Phase II ESA included: soil collection; vapor probes; ground water analysis; and, preparation of Phase II Environmental Site Assessment Report.

Pre-Demolition Hazardous Materials Survey encompassed the Power Plant, coal yard, Heat Exchanger Bldg., and sub-grade steam lines and public right-of-ways (including removal of sub-grade steam lines).

Cost Opinion:

• Task 1: specs, bid admin, abatement monitoring	\$ 162,960
• Task 2: asbestos removal & disposal	\$2,358,720
• Task 3: regulated material removal & disposal	\$ 82,500
• Task 4: demolition & site stabilization	<u>\$ 970,000</u>
Subtotal	\$3,574,180
Minus sub-grade lines	<u>- 820,000</u>
TOTAL COST:	\$2,754,180

Facilities & Maintenance Supv. Marti noted that the City's interest in possibly repurposing of the property increase costs associated with Task 2. Additional factors which impact the decision were further addressed (continual increase in costs, timeline requirements, relocating of equipment/controls, project funding, etc.).

Recommendation:

Following discussion, it was the consensus of the Committee to conduct a Work Session with the full Commission and Wenck reps to assist in determining the future of the Power Plant site (renovate vs razing).

Follow-up: Facilities & Maintenance Supv. Marti contacted Wenck who agreed to participate in a Work Session (Zoom) with the full Commission on Dec. 14th immediately following the regular MUC meeting. This informational meeting will allow Wenck to present a complete overview of their findings and to provide additional clarity while answering any questions the Commission may have regarding the proposed options for the Power Plant site.

3. Willmar/Priam Ownership & Construction Agreements with DGR:

General Manager Harren opened discussion with the Committee regarding current substation projects requiring agreement approvals (task orders) with DGR Engineering. Staff Electrical Engineer Smith provided the Planning Committee with background information regarding the two projects, Priam Substation Modifications Expansion Project and the Downtown (Power Plant) Substation Modifications Project. Smith continued by providing project descriptions along with the scope of work involved in completing each.

Priam Sub Modifications (expansion): WMU will commission the second 115 kV transmission line terminated at Priam Sub as part of regional transmission reliability improvements. Scope of the expansion work would include addition of circuit breakers (3), disconnect switches (6), CCVT's (3), and addition of controls panels. This project will benefit the area grid by increasing the interconnection strength. This project provides an investment opportunity in transmission infrastructure which will be highly beneficial to the future of WMU (staff had been directed by the Commission to investigate potential transmission investment projects). DGR's proposal to provide engineering services for this project is \$184,000. (Project budget for the Willmar/Priam expansion: \$8,481,320)

Downtown (Power Plant) Sub Modifications (relocation): With the shut-down of the Power Plant, the building has been vacated and will be either demolished or sold. The Plant houses control systems in the facility. WMU plans to consolidate equipment and controls from three sites to one. The scope of this work would include replacement of circuit breakers (2), disconnect switches (5), replace switchgear and re-route distribution feeders; and construct a new control bldg. DGR's proposal to provide engineering services for this project is \$468,000. (Project budget: \$5,333,000)

Staff will continue to investigate additional avenues/opportunities that would be advantageous for cost savings regarding these projects (i.e. relocate transformer rather than replace).

Recommendation:

Following discussion, it was the consensus of the Planning Committee to approve the Priam Substation Expansion Project (Task Order No. 7) as presented.

Regarding the Downtown Substation Relocation Project (Task Order No. 8), the Committee has requested staff to contact DGR to provide additional data for an optional plan (i.e. relocate transformer rather than replace) including cost estimates and timetable requirements for an alternative plan.

Furthermore, Staff will contact David Turch to inquire of any grant money available to assist with funding of future transmission and water projects.

4. Adjournment:

There being no further business to come before the WMU Planning Committee, Commissioner DeBlieck declared the meeting adjourned at 1: 04 pm.

