

WILLMAR MUNICIPAL UTILITIES COMMISSION

MEETING MINUTES - APRIL 12, 2021

11:45 am - WMU Auditorium

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, April 12, 2021 at 11:45 a.m. in the WMU Auditorium with the following Commissioners present: Justin Mattern, Abdirizak Mahboub, Nathan Weber, Ross Magnuson, and Kerry Johnson. Absent were Commissioners Bruce DeBlick and Cole Erickson.

Others present at the meeting were: General Manager John Harren, Finance & Office Services Supervisor Andrea Prekker, IS Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, Energy/Safety Outreach Coordinator Chris Radel, City Attorney Robert Scott, and City Council Liaison Michael O'Brien.

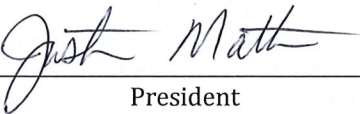
The meeting was opened by reciting the Pledge of Allegiance followed by Commissioner Mattern (President) asking if any revisions were needed to the agenda presented. There being none, a resolution was requested to approve the Consent Agenda. Following review and discussion, Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented. Commissioner Johnson seconded.

RESOLUTION NO. 16

"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 March 22, 2021 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20210355 to No. 20210432 and associated wire transfers inclusive in the amount of \$1,107,687.55.

Dated this 12th day of April, 2021.



President

Attest:



Secretary

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

Commissioner Weber (LC Chair) reviewed with the Commission minutes from the March 30th 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 five ayes and zero nays.

Following approval of the minutes, Commissioner Weber requested the Commission to consider naming the Labor Committee to serve as the "Designee" (representative) for an upcoming IBEW Grievance Hearing (date TBD). Following discussion, Commissioner Mahboub concurred with the Labor Committee's recommendation and offered a motion to approve the Labor Committee to serve as "Designee" for the upcoming IBEW Grievance Hearing. Commissioner Magnuson seconded the motion which carried by a vote of five ayes and zero nays.

Finance & Office Services Supervisor Prekker presented the Commission with the February 2021 Financial Reports along with a recap of the February 28, 2021 Investment Portfolio. The data presented included analyses of the Electric, Water, and Combined Divisions. Information contained in the reports reflect operating revenues & expenses, operating income, and retained earnings. Graphs depicting the 2020/2021 monthly year-to-date revenues, expenses, and retained earnings were also included with the financial data.

Energy/Safety Outreach Coordinator Radel continued by reviewing with the Commission the WMU Cost of Power Report for February 2021. This report is illustrated using a rolling year-to-date format and provides the overall cost of power for the year (.064 per kWh twelve-month rolling average). Additional data reflecting the month-to-date cost (.044 per kWh) was also presented for review.

Finance & Office Service Supervisor Prekker presented the Commission with the proposed allocation of annual WMU Fund/Account Balances for consideration (see below). Following the completion of the 2020 Financial Audit conducted by Conway, Deuth & Schmiesing, Prekker was requesting the Commission to approve the fund allocations incorporating a number of proposed revisions. Following discussion, Commissioner Johnson offered a resolution to approve and accept the December 31, 2020 Fund/Account Balances as presented. Commissioner Mahboub seconded.

RESOLUTION NO. 17

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Fund/Account Balance Allocations for 2021 be approved as follows:

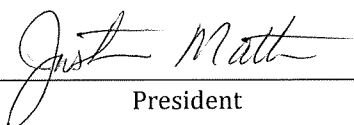
FUND/ACCOUNT

Fund Required by Bond Covenants:	<u>12/31/2020</u>	<u>12/31/2019</u> (approved 4/13/20)
1a. Operating Reserve	\$ 0	\$2,400,000
4. Utilities Improvement & Replacement Fund	\$ 0	\$1,700,000
*Prior bond covenants no longer needed		

Funds designated by Municipal Utilities Commission:

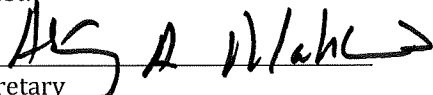
1. Unallocated Operating Reserve	\$ 257,728	\$6,198,943
2. Improvement & Replacement Fund	\$1,700,000	\$ 0
3. Customer Deposit Fund	\$ 375,000	\$ 375,000
4. Building Expansion Fund	\$3,800,000	\$2,050,000
5. Catastrophic Reserve Fund	\$5,000,000	\$4,000,000
6. Water Treatment Plant Reserve Fund	\$5,522,000	\$3,522,000
7. Transmission Construction Reserve Fund	\$9,000,000	\$9,000,000
8. Generation Construction Reserve Fund	\$ 0	\$ 0
9. Water Capital Reserve Fund	\$1,000,000	\$ 500,000
10. Power Plant Reserve Fund	\$1,000,000	\$1,000,000
11. District Heat Underground Piping Reserve Fund	<u>\$ 250,000</u>	<u>\$ 0</u>
TOTAL	\$27,904,728	\$26,913,500

Dated this 12th day of April, 2021.



President

Attest:



Secretary

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

Facilities & Maintenance Supervisor Marti presented the Commission with the March 2021 Wind Turbine Report. Turbine availabilities for the month of March were at 99.5% (Unit #3) and 75% (Unit #4) with a total monthly production of 866,500 kilowatt hours. Marti noted that while there was a fault with the gearbox speed sensor on Unit #4, production was high, and the turbines are running well.

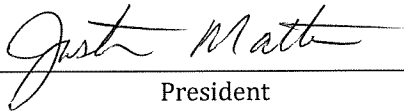
Finance & Office Services Supervisor Prekker informed the Commission of the need to determine the amount of liability limits to be set regarding the League of Minnesota Liability Insurance renewal. Staff was recommending that the Willmar Municipal Utilities does not waive the limits on municipal tort liability established by Minnesota Statutes 466.04. If WMU does not waive the statutory tort limits, an individual

claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover in a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. If WMU waives the statutory tort limits and purchases excess liability coverage, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants. Following discussion, Commissioner Mahboub offered a resolution to not waive the limits on municipal tort liability established by Minnesota Statutes 466.04. Commission Weber seconded.

RESOLUTION NO. 18

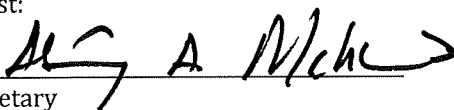
"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Willmar Municipal Utilities does not waive the limits on municipal tort liability established by Minnesota Statutes 466.04."

Dated this 12th day of April, 2021.



President

Attest:



Secretary

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

Energy/Safety Outreach Coordinator Radel presented the Commission with an overview of Electric Vehicles (EV) and specifically how they relate to WMU and the Willmar area. Radel noted that WMU recently promoted a PHEV ("plug-in hybrid EV") at the recent Willmar Spring Show to assist in educating and familiarizing citizens in the area. WMU will continue to market and promote EV rebates provided by MRES to its customers.

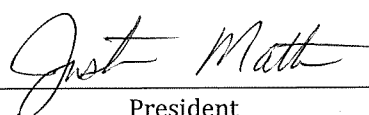
Facilities & Maintenance Supervisor Marti presented the Commission with an update of the recently conducted Strategic Planning Session (March 25th) along with a Strategic Planning Summary. WMU's Management Team and Labor Relations Committee met with Marcy Douglas of MRES who acted as the Facilitator for the event. The group worked together to identify goals and key performance indicators to prepare the plan summary. A second meeting of the Management Team will be held on April 15th to finalize the plan and establish timelines to meet the goals as identified. The plan will then be reviewed by the Labor Committee for additional input, and subsequently presented to the Commission for approval.

At this time, Staff Electrical Engineer Smith presented the Commission with three bid award recommendations for consideration. The first bid award recommendation was for the Furnishing of Control Panels for the South Substation. Three bids were received for the project. Following review of the submitted bids, it was the recommendation of DGR Engineering and Staff to award the bid to Electrical Power Products, Inc., for their submitted total price of \$126,898. Following further discussion and review, Commissioner Mahboub offered a resolution to approve the bid for Furnishing of Control Panels for the South Substation to Electrical Power Products in the amount of \$126,898. Commissioner Weber seconded.

RESOLUTION NO. 19

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the Furnishing of Control Panels for the South Substation be awarded to Electrical Power Products, Inc., of Des Moines, Iowa, for their submitted total base bid of \$126,898."

Dated this 12th day of April, 2021.



President

Attest:


Secretary

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

The second bid award recommendation presented was for the Electric Power Autotransformer for the Willmar Substation. While two bids were received for the project, one bid did not meet the required delivery date nor the LTC (load tap changer) specification requirements. Therefore, it was the recommendation of DGR Engineering and Staff to award the bid to SPX Transformer Solutions, Inc., for their submitted total price of \$2,942,001. Following further discussion and review, Commissioner Magnuson offered a resolution to approve the bid for Furnishing of the Electric Power Autotransformer for the Willmar Substation to SPX Transformer Solutions for the total bid amount of \$2,942,001. Commissioner Johnson seconded.

RESOLUTION NO. 20

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the Furnishing of the Electric Power Autotransformer for the Willmar Substation be awarded to SPX Transformer Solutions, Inc., of Waukesha, Wisconsin, for the submitted total price of \$2,942,001."

Dated this 12th day of April, 2021.


President

Attest:


Secretary

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

The third bid approval for consideration was for the 2021 Annual Underground Construction. Two bids had been received to conduct the annual underground construction. Following review of the submitted bids, it was the recommendation of Staff to award the 2021 Annual Underground Construction contract to O & S Construction for their estimated total bid amount of \$216,245 (estimated total cost is based on bid prices). Following review and discussion, Commissioner Mahboub offered a resolution to approve the bid award for the 2021 Annual Underground Construction to O & S Construction for their estimated bid of \$216,245. Commissioner Weber seconded.


RESOLUTION NO. 21

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the 2021 Annual Underground Construction be awarded to O & S Construction of Bird Island, Minnesota, for the estimated bid amount of \$216,245. "

Dated this 12th day of April, 2021.


President

Attest:


Secretary

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

General Manager Harren informed the Commission that two agreements which had both been previously approved by the Commission and vetted by our City Attorney had been received for execution. These agreements were: 1) MRES Reserve Capacity Agreement (MUC approved Feb. 8, 2021); and, 2) GRE Master Transmission Interconnection Agreement (MUC approved Nov. 9, 2020). This was for information only.

General Manager Harren informed the Commission that the former Gerry's Liquor property owned by WMU, has a potential tenant interested in leasing the main floor of the building along with utilizing 11 parking spots to the west of the building for a possible business venture. (The building was previously used for storing of district heating materials.) The potential tenant would conduct remodeling with a target opening date of June 1, 2021.

General Manager Harren informed the Commission that the WMU Planning Committee will be meeting on April 16th at 12:00 pm. Agenda items will include: David Turch & Associates proposal, MRES refund, business opportunity, and Catastrophic Event Plan.

General Manager Harren further noted that WMU Committee meetings will be forthcoming. Tentative agenda topics for the Planning Committee will include: Water Treatment Plant funding/financing, employee survey, pay equity, and NISC software. Tentative agenda items for the Labor Committee will include: clothing policy, employee survey, succession plan, pay equity/compensation schedule, and Strategic Plan update.

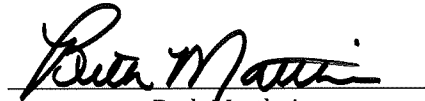
For information: Upcoming meetings/events to note include:

- MRES Annual Meeting – May 5 from 1:00-4:30 pm (via webinar)
- APPA National Conference: (June 20-23 in-person; July 13-14 virtual)
- MMUA Summer Conference – August 16-18 (event currently being developed)

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 12:40 pm.

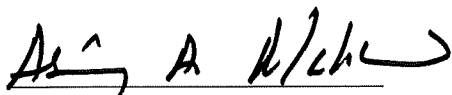
Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Administrative Secretary

ATTEST:



Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Tuesday, March 30, 2021
12:00 pm (WMU Auditorium)

Attendees: Commissioners Nathan Weber, Abdirizak Mahboub & Cole Erickson, General Manager John Harren, 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) Update of IBEW Union Grievances:

General Manager Harren and Compliance/HR Manager Johnson provided the Labor Committee with a status update regarding Grievances #7452 (old) and #7525 (new) filed by the Union (IBEW Local #160) on behalf of the Water Department.

A Union post-hearing memorandum regarding Grievance #7452 (dated March 10, 2021) was presented for review. Both parties are currently waiting for a ruling from the arbitrator concerning this grievance.

Data relating to Grievance #7525 was further addressed. This grievance is now at Step 3 and requires designee representation. Additional data was presented which included a job description and duties associated with the position pertaining to this grievance. Options and scenarios addressing this issue were discussed including licensing requirements.

Action:

Following discussion, it was the recommendation of the Labor Committee to serve as the Step 3 Designee (representative) concerning Grievance #7525. This recommendation will be presented to the Commission for approval at the April 12th MUC meeting.

2) 2020 WMU Management/Employee Engagement in Safety Survey results:

General Manager Harren provided background information regarding an Organizational Assessment of the WMU which was conducted by Springsted Inc. in 2012. The study provided an analysis of the Utility and staff which included both strengths and weaknesses of the organization. Two challenging issues identified were: 1) strengthening of team-building among staff by improving communications, and 2) equitable application of policies. Since 2012, staff has made continuous efforts to improve communications and equitable application of policies with and between staff members to assist in promoting positive morale among the staff.

Compliance/HR Johnson presented the Committee with the results of the 2020 Management/Employee Engagement in Safety Survey conducted by Ridgewater College. WMU staff (100%) participated in the survey during safety training last December. The first staff survey of this type was conducted in 2018 and provided a baseline to assess changes. The survey consists of ten questions mixed within the questionnaire which target management and/or personnel. Since the first survey, Management has continued to work with staff to address challenges by implementing a number of positive actions (i.e. Joe Schmit's monthly "Silent Impact" video series, full-staff updates, additional communication avenues, retaining "open door" policy by General Manager and HR Manager, etc.). Management furthermore continues to strive to provide equality among all personnel relating to policies. Results of the 2020 Management/Employee Engagement Survey were reviewed and reflect an overall positive increase by personnel. Harren and Johnson stated that the survey results reflect a positive

improvement in both team-building and communications, and continues to remain an ongoing mission that the Management team is committed to.

Commissioner Weber stated that the survey results prove that we are going in the right direction and commended Management and staff for the positive efforts being made. While future trending of improvements are anticipated, the Labor Committee is comfortable with the direction in which this issue is going.

3) Staff Retention (history):

Compliance/HR Manager Johnson provided the Labor Committee with a historic summary of staff retention at WMU. The data presented an overview of the WMU's employee retention from 2016-2020. While a number of staffing changes were directly related to the decommissioning of the Power Plant, the results reflect the strong level of employee retention WMU continues to maintain.

4) Miscellaneous:

General Manager Harren presented the Labor Committee with an opportunity which has been presented to the Utility for consideration. This was for information only.

5) Adjournment:

There being no further business to come before the WMU Labor Committee, Commissioner Weber offered a motion to adjourn. Commissioner Mahboub seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero nays at 2:08 pm.

