

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES - JULY 12, 2021
11:45 AM - WMU AUDITORIUM

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

Others present at the meeting were: General Manager John Harren, Compliance/HR Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, IS Coordinator Mike Sangren, Executive Secretary Beth Mattheisen, Staff Electrical Engineer Jeron Smith, Facilities & Maintenance Supervisor Kevin Marti, Energy/Safety Outreach Coordinator Chris Radel, City Councilman Michael O'Brien, City Attorney Robert Scott, and WC Tribune Journalist Shelby Lindrud.


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 to approve the consent agenda was requested. Following review and discussion, Commissioner DeBlieck offered a resolution to approve the consent agenda as presented. Commissioner Weber seconded.

RESOLUTION NO. 39

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

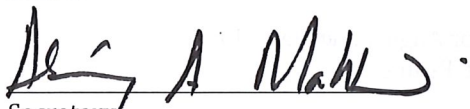
- ❖ Minutes from the June 28, 2021, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20210782 to No. 20210865 and associated wire transfers inclusive in the amount of \$229,702.99.

Dated this 12th day of July 2021.



President

Attest:



Secretary

The foregoing resolution was adopted by a vote of six ayes and zero nays,

Commissioner DeBlieck (PC Chair) reviewed with the Commission minutes from the July 1st WMU Planning Committee meeting (see attached). One item of discussion was the need to modify the current policy as it relates to water billing for multi-unit dwelling. Per Commission directive, Staff will bring a revised policy to the Planning Committee which will subsequently be presented to the Commission for consideration of approval. It was further noted that Staff will continue to keep WMU customers well-informed of policy changes and the affect these changes may have on their utility bills. Following review, Commissioner DeBlieck offered a motion to approve the minutes of the July 1st WMU Planning Committee meeting as presented. Commissioner Erickson seconded the motion which carried by a vote of six ayes and zero nays.

Finance & Office Services Supervisor Prekker presented the Commission with the May 2021 Financial Reports along with a recap of the May 31, 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.

Facilities & Maintenance Supervisor Marti presented the Commission with the June 2021 Wind Turbine Report. Turbine availabilities for the month of June were at 78.8% (Unit #3) and 76.6% (Unit #4) with a total monthly production of 269,811 kilowatt hours. In early June, an auto reset process in place did not function

properly affecting the availability of the units. Staff has addressed the issue and procedural adjustments have been made to minimize this type of occurrence in the future.

Staff Electrical Engineer Smith presented the Commission with a Transmission Investment Update. An overview was given of the historic data, the Willmar Substation Project, the Priam Substation Project, additional transmission work, and anticipated future transmission projects. Costs associated with each project along with targeted in-service dates were provided. General Manager Harren further stated that the return on transmission investments is approximately 11%. Not only do these projects provide positive income, but they also increase the reliability of our transmission system.

As a member of Missouri River Energy Services (MRES), the Utility is provided a monthly update of the MRES and Western Minnesota Municipal Power Agency (WMMPA) Boards of Directors meeting. The update provides a brief overview of the topics discussed by the Boards and the actions taken. At this time, a video summary from the June 2021 MRES and WMMPA Boards of Directors meeting was presented.

Energy/Safety Outreach Coordinator Radel provided a listing of the drawing winners from the Utility's recent participation in the WillmarFest Block Party on June 24th. The following is a listing of the prize recipients:

- 1) Electric lawn mower: Mary Bock
- 2) \$50 utility bill credit (8): Shaylynn Johnson, Lori Darger, Beau Standfuss, Lennett Sarchuk, John Liedman, Harry Peterson, Kiara Dillabough, and Char Gunvalson
- 3) Pair of Stinger tickets (5): Marlin Breems, Ron Kotzenmacher, Bonnie Brunick, Christina Vander Pol, and Bill Paterson

General Manager Harren informed the Commission that the annual Employee Luncheon/Meeting will be held on Thurs., July 15th. The meeting provides the opportunity to introduce new employees and Commissioners to all while highlighting milestones achieved (i.e. years of service) .

General Manager Harren noted that WMU Committee meetings will be forthcoming. Tentative agenda items for the Labor Committee will include General Manager pay equity/compensation, Emergency Succession Plan, and clothing policy. Tentative agenda items for discussion by the Planning Committee will include water billing policy and NISC software.

For information: Upcoming meetings/events to note include:

- MRES Red Rock Hydroelectric Project Tour (July 22/July 29/or August 5 @ Pella, Iowa)
- MMUA Summer Conference (August 16-18 @ Cragun's Resort, Brainerd)

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 six ayes and zero nays, and the meeting was adjourned at 12:42 pm.


Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Executive Secretary

ATTEST:



Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
MUC Planning Committee Meeting Minutes
Thursday, July 1, 2021
12:00 pm – WMU Conference Room

Attendees: Commissioners Bruce DeBlieck, Justin Mattern & Kerry Johnson, General Manager John Harren, Water System Supervisor Alan Neer, HR/Compliance Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Administrative Secretary Beth Mattheisen, and from Carollo Engineering Reps Vinnie Hart & Seema Chavan (via Zoom).

Commissioner DeBlieck (PC Chair) called the meeting to order at 12:00 pm. Introductions were made by all attendees.

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- 1. NE Water Treatment Plant (90% review):** (Water System Supv. Neer and Carollo reps Hart & Chavan)
General Manager Harren introduced Carollo Engineering Reps Vinnie Hart and Seema Chavan. Hart provided background data regarding the NE Water Treatment Plant Project which began approximately 10 years ago with the building of the pilot project. An overview of the NEWTP was presented with over 90% of the design/project work completed. With the project approaching “shovel ready” status, a review of the current cost estimates was presented which included an 8% escalation due to recent price increases to reflect an early 2022 bidding timeframe. The current total cost estimate for the project is \$19 million plus engineering and construction oversight of \$2 million. Breakdown of the cost estimates including alternate additional costs and the cost escalation due to significant commodity price increases (fuel, iron/steel, lumber, plastic, etc.) was given.

With the design portion of the project nearing completion, efforts to seek out funding assistance for the project continue. Carollo Rep Chavan provided an overview of the status of both State and Federal funding requests currently being pursued. (In all, at least 15 various funding possibilities have been pursued.)

At the Federal level, community funding of projects is being addressed (“earmarks”) with requests for full project funding with WMU to provide 20% match. At the State level, financing options have been submitted to the Senate Capital Investment Committee re capital budget and/or infrastructure bonding bills (Representative Dave Baker & Senator Andrew Lang). Rep. Baker will continue to address the project later this year including a visit to Willmar this fall to continue to pursue funding. While funding has not been secured to date, we will continue to pursue avenues for grant/bonding bill dollars to assist with the financing of the NEWTP. Harren added that while funding via the infrastructure bill would greatly assist in the financing of the project, future water rate increases will also be required. Once funding has been established, we will proceed with the project which is anticipated to take 18 months to construct (bidding process will begin in early 2022).

The current water demand/usage is nearing the city’s water capacity limitations. The increase in water usage is due to several factors including extreme weather and an increase in both residential and commercial services. Therefore, the need to proceed with the project is urgent. Any additional delays in the project could result in anticipated additional water restrictions. The effect of the new plant as it relates to the salty discharge issue was addressed. While the new plant will help to improve the current issue, it will not resolve nor meet compliance limitation requirements.

Following discussion, it was the consensus of the WMU Planning Committee to proceed with the NEWTP Project as presented.

At this time, Hart, Chavan and Neer departed the meeting (12:50 pm).

- 2. Pay Equity recap/review:** (HR/Compliance Manager Johnson)
HR/Compliance Manager Johnson reviewed with the Committee the 2019 Pay Equity Report. To eliminate any gender-based inequities in compensation, state law requires all public jurisdictions

complete the report every two years. WMU files the report jointly with the City of Willmar to the department of Minnesota Management & Budget. Johnson informed the Committee that WMU is in compliance with the pay equity laws per the 2019 reporting. Johnson provided a review of the process involved in conducting the report (i.e. establishing ranking & point value and the equation of the data). Pay equity point value clarifications and comparable point values were addressed. Market values and additional complexities were discussed.

3. 2020 Employee Survey results: (HR/Compliance Manager Johnson)

HR/Compliance Manager 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 several 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 presented a positive overall increase in morale by personnel. Johnson stated that the survey results reflect a positive improvement in both team building and communications, and continues to remain an ongoing mission that management is committed to.

Management will continue to provide a team-building atmosphere among its staff through various avenues. One option to utilize will be to re-cycle Joe Schmit's "*Silent Impact*" video series followed by employee group discussions. Committee members expressed their appreciation to management for their due diligence in effectively addressing the issues at hand and creating a positive work environment for all employees.

4. Water Billing Policy for multi-unit dwellings (discussion): (HR/Compliance Manager Johnson and General Manager Harren)

HR/Compliance Manager Johnson informed the Planning Committee that due to the increase in multi-unit dwellings within the city (i.e. apartment buildings), staff has assessed the inequities between residential dwellings and multi-unit dwellings. It is staff's recommendation that updates/modifications to the current Operations Policy as it relates to water service billing (meter and fixed cost charges) for such dwellings is warranted. The suggested solution would be to base the water billing on a per unit strategy instead of a per meter strategy beginning in 2022. Fixed cost charges need to be modified to resolve the current practice/policy in place. The goal is to achieve consistency for water billing much like sewer billing by the City. Staff further stated that this is not a rate increase, but a tool to balance out the water billing. Therefore, staff was soliciting support by the Planning Committee to assist in resolving the inequities between residential dwellings and multi-unit dwellings by modifying the current Operations Policy as it relates to water billing (from per meter to per unit).

Following discussion, it was the consensus of the Planning Committee to support staff's recommendation to pursue modifying the current water billing policy and defining the logistics to provide equality among WMU's customers.

5. Adjournment:

There being no further business to come before the WMU Planning Committee, Commissioner Mattern offered a motion to adjourn. Commissioner DeBlicek seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero nays at 1:16 pm.