

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES - MAY 23, 2022
11:45 AM - WMU AUDITORIUM

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, May 23, 2022, at 11:45 am in the WMU Auditorium with the following Commissioners present: Bruce DeBlicek, Cole Erickson, Kerry Johnson, Shawn Mueske, Dave Baumgart, Carol Laumer, and Kadar Abdi.

Others present at the meeting were: General Manager John Harren, Director of Administration Janell Johnson, IS Coordinator Mike Sangren, Executive Secretary Beth Mattheisen, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, City Councilman Michael O'Brien, City Attorney Robert Scott (via teleconference), WC Tribune Journalist Jennifer Kotila, and Dave Berg of Dave Berg Consulting (DBC).

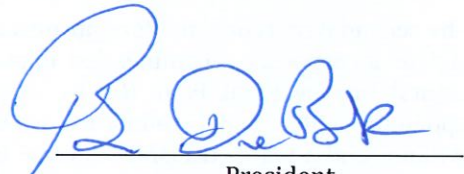
The meeting was opened by reciting of the Pledge of Allegiance followed by Commissioner DeBlicek (President) asking if any revisions were needed to the presented agenda. There being none, a resolution was requested to approve the consent agenda. Following review and discussion, Commissioner Erickson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

RESOLUTION NO. 19

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

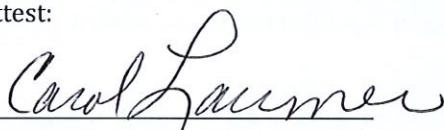
- ❖ Minutes from the May 9, 2022, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20220563 to No. 20220702 and associated wire transfers inclusive in the amount of \$1,850,060.77.

Dated this 23rd day of May 2022.



President

Attest:



Secretary

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

Commissioner DeBlicek introduced Consultant Dave Berg who was in attendance to present the preliminary findings of the 2022 Cost of Service & Water Rate Study to the Commission. Key components of the Rate Study included: Capital Improvements, operating results at existing rates, reserve levels/new debt, Cost of Service and Rate Design guidance. Significant Capital Improvements required include the NE Water Treatment Plant project along with additional water main replacement costs. In all, the Capital Improvements projects for 2023 are estimated at \$28 million. Staff has worked diligently to seek grant funding at both the State and Federal levels. Dependent on whether government funding is received, this will impact the needed adjustments for water service rates/charges. Without the requested funding, an estimated 25% water rate increase could be anticipated beginning in 2023. The final 2022 Cost of Service & Water Rate Study including water rate recommendations developed for implementation will be presented to the Commission in July.

Commissioner Mueske, PC Chair, reviewed with the Commission the minutes from the May 16th WMU Planning Committee meeting (see attached). Following review, Commissioner Mueske offered a motion to approve the minutes of the May 16th WMU Planning Committee meeting 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, three items requiring Commission action were presented for consideration. The first item of discussion was a recommendation to authorize General Manager Harren to enter into an agreement for the Construction Contract for the Power Plant

Substation Project. Bids are schedule to be opened on May 24th for the project. There have been significant delays in the project to date, therefore early contract finalization would be beneficial to keep the project moving forward. Following discussion, Commissioner Mueske offered a resolution to authorize General Manager Harren to enter into agreement for the Construction Contract for the Power Plant Substation Project based on the recommendation of DGR Engineering. Commissioner Johnson seconded.

RESOLUTION NO. 20

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that General Manager John Harren be authorized to enter into an agreement for the Power Plant Substation Construction Contract based on the recommendation of DGR Engineering.”

Dated this 23rd day of May 2022.



President

Attest:



Secretary

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

The second item requested for approval by the Planning Committee was to accept Burns & McDonnell report and to incorporate recommended improvements for Willmar’s water distribution system into the WMU Capital Improvement Plan. Needed improvements were identified in the 2018 Water Master Plan and updated in 2021 which reflect the need for additional capacity to meet usage and growth in the city of Willmar and a water transmission line from the NEWTP to Willmar Ave. Following review and discussion, Commissioner Laumer offered a motion to accept the report and incorporate the water modeling needs into the WMU Capital Improvement Plan as required. Commissioner Erickson seconded the motion which carried by a vote of seven ayes and zero nays.

The third item requesting Commission approval was to direct staff to proceed with the land acquisition process for a new building. This project had originally been scheduled for 2020 but due to significant capital projects has been delayed. Site selection criteria has been developed and potential sites identified that would meet the needs and requirements determined. Finances have been secured in the 2022 WMU Budget for the purchase of property for the project. Based on industry trends, customer costs, and WMU’s current power mix (100% clean energy), it was recommended to forego purchasing additional acreage for a community solar garden. Following discussion, Commissioner Erickson offered a motion to direct staff to proceed with the land acquisition process for a new building. Commissioner Mueske seconded the motion which carried by a vote of seven ayes and zero nays.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. Tentative Planning Committee agenda items will include water treatment plant, agreement with David Turch & Associates (DTA), and new building project. Tentative future Labor Committee agenda items will include new logo, software options for accounting & billing, and rate study.

At this time, Facilities & Maintenance Supervisor Marti provided the Commissioners with a tour of the WMU Power Plant. The intent of the tour was to identify items of historic value and/or interest prior to the razing of the facility this fall.

For information: Upcoming events to note include:

- Special MUC Meeting re MRES transmission presentation: Friday, June 3rd @ 11:00 am
- APPA National Conference (Nashville, TN): June 10-15 (DeBlieck/Laumer)
- Red Rock Hydroelectric Plant tours (MRES): June 23, July 20, and August 18
- MMUA Summer Conference (Madden’s Resort): August 22-24 (Laumer/Johnson/DeBlieck)

There being no further business to come before the Commission, Commissioner Johnson offered a motion to adjourn. Commissioner Mueske seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 1:15 pm.

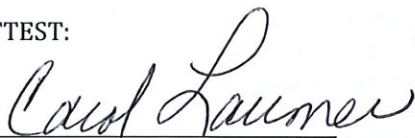
Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Executive Secretary

ATTEST:



Carol Laumer, Secretary

WILLMAR MUNICIPAL UTILITIES
MUC Planning Committee Meeting Minutes
Monday, May 16, 2022
12:00 pm – WMU Conference Room

Attendees: Commissioners Shawn Mueske, Cole Erickson & Carol Laumer, General Manager John Harren, Director of Administration Janell Johnson, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, Water System Supervisor Alan Neer, and Executive Secretary Beth Mattheisen.

Commissioner Mueske (PC Chair) called the meeting to order at 12:00 pm.
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1. Power Plant Substation Construction Contracts: (Staff Electrical Engineer Jeron Smith)

Staff Electrical Engineer Smith provided an overview and status update encompassing the Power Plant Substation relocation project. There have been significant delays in the project due to lengthy response times from MPCA regarding issues including the Response Action Plan, Construction Contingency Plan, changes to the Stormwater Management Plan, and the Vapor Mitigation System. As a result, the project is approximately five months behind schedule which could affect the demolition timeline of the Power Plant facility (asbestos abatement is scheduled to begin in October). Since the new substation must be in service prior to the Power Plant demo, the substation project must move forward without further delay. An overview of the project including contingency and mitigation plan to achieve compliance was presented.

The Construction Contract for the project remains to be awarded. Sealed bids will be opened on May 26th. WMU's Purchasing Policy requires the Commission to approve contracts over \$175,000. The project engineer's (DGR) estimate for this contract is \$2.45 million. To proceed in a timely manner, staff has requested that the Commission authorize General Manager Harren to award the Construction Contract for the Power Plant Substation upon bid opening to allow the project to move forward. (To date, this project remains on budget.)

Recommendation:

Following review and discussion, it was a consensus of the Planning Committee to concur with Staff's recommendation and authorize General Manager Harren to enter into construction agreements based on DGR's recommendation. This recommendation will be presented to the Commission for consideration and approval at the May 23rd MUC meeting.

2. Water Modeling: (Water System Supervisor Alan Neer)

General Manager Harren opened discussion with a high-level background recap of information that has transpired in the past regarding Willmar's water distribution system. Water System Supv. Neer continued by provided a review of the needs, purposes and requirements included in the 2018 Water Master Plan (WMP) and the updated 2021 WMP. Among the components reviewed include growth analysis data and mapping of identified future growth zones.

The 2021 WMP updates were presented which included new and future anticipated projects. Individual projects requesting service were evaluated in the modeling along with water supply needs. High-level estimates to meet potential future needs including distribution improvements were provided. The WMP is typically updated based on a five-year review (timeline).

Adjustments to the distribution system allowing water from the NE Water Tower to flow to the southern part of the community were presented along with the estimated cost to resolve the issue.

Recommendation:

Following review and discussion, it was a consensus of the Planning Committee to incorporate the recommended needs into WMU's Capital Improvement Plan as required. This recommendation will be presented to the Commission for consideration and approval at the May 23rd MUC meeting.

3. WMU Watermain Costs for 2021-2022 City Street Projects: (Water System Supervisor Alan Neer)

Water System Supervisor Neer presented the Planning Committee with the 2022 Watermain Replacement Project Update. Individual project descriptions along with WMU's share of the estimated

costs for each were given (i.e. Epitopix, Industrial Park area, 28th Street lift station removal). WMU's estimated cost to complete the needed 2022 projects is \$1.56 million (WMU's 2022 budget amount is \$1.5 million). Due to the City's street projects, Staff informed the Commission that potential for a budget overrun is anticipated.

2023 Overview : WMU anticipates multiple replacement projects due to street reconstruction estimated at \$2 million. WMU will continue discussions with the City to establish a 5-10 year watermain replacement program. (Note: City Street Study is scheduled be completed in June 2022.)

This update was presented for information only. No action is required at this time

4. Land Purchase for New Building: (Facilities & Maintenance Supervisor Kevin Marti)

Facilities & Maintenance Supervisor Marti provided the Planning Committee with background data and previously established timeline for building a new WMU facility. This data was based on a facilities study completed in 2010 and updated in 2016. Due to various capital projects, the building project has been delayed. With finances included in the 2022 WMU Budget for the purchase of land, now is the time to move forward with attaining property for the project. Site consideration reviewed included acreage required, road restrictions, road entrances/exits, access to service territory, ease of access to customers, potential future service territory expansion areas, identify zone listing, and operational efficiencies. An option for a community solar garden was also addressed.

Based on prior studies and established requirements, prospective sites have been identified for consideration.

Recommendation:

Following discussion, it was a consensus of the Planning Committee to direct Staff to proceed with the land acquisition process to attain property for a new WMU facility (confidential process) to support the project timeline as presented. Planning Committee further directed staff to proceed without including a community solar garden.

5. City Internet Project: (General Manager John Harren)

General Manager Harren informed the Committee he had recently become aware that the City is considering issuing an RFP for an additional internet provider. Discussion was held regarding internet concerns and potential opportunities. Planning committee discussed and felt that it was not a business venture that WMU should pursue. This was for information only.

6. Miscellaneous:

General Manager Harren informed the Planning Committee of a recent notification received from MISO anticipating a possible energy supply shortage this summer. Those with generation may be required to generate as directed. The significant shortfall could result in the need for curtailment.

7. Adjournment:

There being no further business to come before the WMU Planning Committee, Commissioner Mueske declared the meeting adjourned at 1:40 pm.

