

**WILLMAR MUNICIPAL UTILITIES COMMISSION**  
**MEETING MINUTES - JUNE 27, 2022**  
**11:45 AM - WMU AUDITORIUM**

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, June 27, 2022, at 11:45 am in the WMU Auditorium with the following Commissioners present: Cole Erickson, Kerry Johnson, Dave Baumgart, Shawn Mueske, Carol Laumer and Kadar Abdi. Absent was Commissioner Bruce DeBlieck.

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


The meeting was opened by reciting of the Pledge of Allegiance followed by Commissioner Erickson (Vice President) by 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 Mueske offered a resolution to approve the consent agenda as presented. Commissioner Baumgart seconded.

**RESOLUTION NO. 22**

"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 13, 2022, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20220820 to No. 20220877 and associated wire transfers inclusive in the amount of \$3,268,005.94.

Dated this 27<sup>th</sup> day of June 2022.

  
Vice President

Attest:

  
Secretary

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

Commissioner Mueske (PC Chair) reviewed with the Commission the minutes from the June 20<sup>th</sup> WMU Planning Committee meeting (see attached). Following review, Commissioner Mueske offered a motion to approve the minutes of the June 20<sup>th</sup> WMU Planning Committee meeting as presented. Commissioner Laumer seconded the motion which carried by a vote of six 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 approve the Task Order No. 4 with Carollo for the construction services phase of the Northeast Water Treatment Plant (NEWTP) project. The cost for this portion of the project is for the not-to-exceed amount of \$1,331,314. Following discussion, Commissioner Mueske offered a resolution to approve Task Order No. 4 with Carollo Engineering to provide consulting services for the construction portion of the NEWTP project as presented. Commissioner Laumer seconded.

**RESOLUTION NO. 23**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Task Order No. 4 with Carollo Engineering to provide construction services for the NEWTP project be approved in the not-to-exceed amount of \$1,331,314."

Dated this 27<sup>th</sup> day of June 2022.



Vice President

Attest:



Secretary

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


Relating to the NEWTP, the Commission was next requested to proceed with the bidding process by issuing a Call for Bids for the construction portion of the project. It was noted that the approximate construction duration is 18 months. Following review, Commissioner Mueske offered a motion to issue a Call for Bids for the construction portion of the NEWTP. Commissioner Laumer seconded the motion which carried by a vote of six ayes and zero nays.

The third item requesting Commission approval was to establish the bond schedule to fund the NEWTP project. Three options had been considered (10-year, 20-year, and 25-year) for financing of the project. Due to the impending need for the SW water treatment plant in the near future and to ease the burden to WMU's customers when financing that project, it was felt that the ten-year option would be the best option. Following additional discussion, Commissioner Mueske offered a resolution to proceed with the ten-year bond schedule option by contacting bond counsel to assist in setting the terms and bond payment schedule for the estimated \$24 million project. Furthermore, staff was directed to contact consultant Dave Berg Consulting to complete the Cost of Service & Rate Study with the inclusion of the ten-year option. Commissioner Baumgart seconded.

#### RESOLUTION NO. 24

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, to proceed with the ten-year bond option for the financing of the Northeast Water Treatment Plant (est. cost \$24 million)."

Dated this 27<sup>th</sup> day of June 2022.



Vice President

Attest:



Secretary

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

Commissioner Johnson (LC Chair) reviewed with the Commission the minutes from the June 21<sup>st</sup> WMU Labor Committee meeting (see attached). Following review, Commissioner Baumgart offered a motion to approve the minutes of the June 21<sup>st</sup> WMU Labor Committee meeting as presented. Commissioner Kadar seconded the motion which carried by a vote of six ayes and zero nays.

Regarding the Labor Committee meeting, the Commission was requested to approve the proposal submitted by Tyler Technologies to provide upgraded accounting/financial and billing software to replace the current system. The cost of the new software would be in the amount of \$156,878 + annual maintenance of \$111,870. Following review and discussion, Commissioner Johnson offered a resolution to approve the proposal submitted by Tyler Technologies for the upgraded accounting and financial software. Commissioner Baumgart seconded.

## RESOLUTION NO. 25


"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the proposal submitted by Tyler Technologies for the upgrading of WMU's financial/accounting and utility billing software be approved in the amount of \$156,878 which includes both customer and financial information systems, conversion, implementation, and training plus annual maintenance in the amount of \$111,870. "

Dated this 27<sup>th</sup> day of June 2022.



Vice President

Attest:



Secretary

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

Facilities & Maintenance Supv. Marti requested input from the Commission regarding salvaging of the Power Plant's Turbine #2 condenser doors. During a final Plant walkthrough by Commissioners recently, interest had been shown in saving the massive boiler doors. Marti stated that he had been in contact with the local Historical Society and was awaiting a response to see if they would be interested in the items and/or if there would be any value in preserving the doors. Staff will also contact the project engineers (Braun Intertec) to request a cost estimate that the preservation of these doors would entail.

Energy/Safety Outreach Coordinator Radel presented the Commission with the 2022 Energy Acquisition Adjustment (EAA) update. As a reminder, the EAA serves as a mechanism to adjust rates for uncontrollable charges associated with power supply costs. Radel provided background data and noted that the EAA has not been implemented since 2017. In the 2019 Rate Study conducted by Dave Berg, power costs were evaluated with a base rate set at \$63/MHw for 2022. Based on the current year-to-date rolling average, staff has determined that implementation of an EAA is not required at this time. Staff will continue to monitor future data to determine if or when applying the EAA would be warranted.

Commissioner Laumer presented a recap of her recent attendance at the 2022 APPA National Conference held in Nashville, Tennessee (Commissioner DeBlieck also attended). Laumer opened by extending her appreciation to the Commission and citizens of Willmar for allowing her the opportunity to attend the annual informational conference. Throughout the conference, public power leaders are able to network with others by sharing ideas and insights on opportunities and challenges facing the ever-changing electric industry. Topics of discussion included: political news & views, economic issues, clean energy, EVs, tax-based incentives, supply chain management, cybersecurity, federal funding, advantages of public power, and safety leadership.

General Manager Harren presented the Commission with a mid-year update of the General Manager Goals for 2022. Harren provided a complete overview of the established goals and their status to date. The progress report provided updates of the goals and projects, along with additional noteworthy tasks which have been completed or are ongoing. Harren noted that, per directive of the Commission, the progression of the goals is successfully on track.

Staff Electrical Engineer Smith provided an update on a recent power outage. On June 26<sup>th</sup> at 3:51 pm, a large tree branch fell on overhead powerlines along Willmar Avenue SW. Protection systems momentarily de-energized and re-energized a port of the distribution grid. The branch remained caught in the powerlines, and the circuit was automatically de-energized. WMU crews located the issue and restored the power to the affected area. Approximately 1,688 customers were without electricity for 61 minutes.

Midcontinent Independent System Operator (MISO) has served notice to its member utilities (including WMU) that electricity shortages are anticipated this summer. General Manager Harren informed the

Commission that WMU has developed an energy conservation plan that will be utilized in the event of power shortages this summer. If notified by MISO that the potential to conserve electricity within the next 24 hrs. exists, WMU will post an alert with the paper, on the radio, Facebook, and our website, notifying both businesses and residents of the announcement. If an electricity shortage occurs, an ENERGY ALERT will be issued to assist in stabilizing the electric grid through the Kandiyohi County Sheriff's Emergency Alert System (similar to an Amber Alert).

During an ENERGY ALERT, all residential and commercial customers will be asked to reduce energy usage as much as possible to help avoid outages. If these and other conservation efforts are not successful, an ENERGY EMERGENCY will be issued, and WMU will initiate a series of controlled temporary outages, or rolling blackouts, to maintain the stability of the electric grid, which may last 1 to 2 hours at a time until the energy shortage is alleviated. MISO will continue to closely monitor the challenges this summer season and coordinate with its members to maintain grid reliability. WMU would like to extend a sincere THANK YOU in advance to everyone for doing their part.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. Tentative future Labor Committee agenda items will include new logo, and rate study. Tentative future Planning Committee agenda items will include NEWTP bond/funding, agreement with David Turch & Associates (DTA), Sprint agreement, and new building.

For information: Upcoming events to note include:

- MRES member tours of Red Rock Hydroelectric Project (Pella, IA): June 23<sup>rd</sup>, July 20<sup>th</sup>, and August 18<sup>th</sup>
- MMUA Summer Conference (Madden's Resort): August 22-24 (DeBlicek/Laumer/Harren)

There being no further business to come before the Commission, Commissioner Laumer offered a motion to adjourn. Commissioner Baumgart seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 12:54 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen  
Executive Secretary

ATTEST:



Carol Laumer, Secretary

**WILLMAR MUNICIPAL UTILITIES**  
**MUC Planning Committee Meeting Minutes**  
**Monday, June 20, 2022**  
**12:00 pm – WMU Conference Room**

Attendees: Commissioners Shawn Mueske, Cole Erickson & Carol Laumer, General Manager John Harren, Director of Administration Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, Water System Supervisor Alan Neer, Executive Secretary Beth Mattheisen, and Carollo Engineer Vincent (Vinnie) Hart (via teleconference).

Commissioner Mueske (PC Chair) called the meeting to order at 12:00 pm.

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1. **NEWTP – Task Order No. 4:** (Carollo Engineer Vinnie Hart)

Carollo Engineer Hart reviewed with Planning Committee the final design (100% completed) and project status of the Northeast Water Treatment Plant (NEWTP) project. The review included cost estimates and tentative timeline associated with the project. The total estimated cost of the project which includes 9% annual escalation, engineering costs, and bid alternates (on-site sodium hypochlorite and generator) is estimated at \$26 million. Regarding financing of the project, General Manager Harren stated that to date, WMU has been unsuccessful in obtaining any State or Federal grant money. In the meantime, escalation costs have been extreme.

Task Order No. 4 addresses the construction services phase of the NEWTP project. The approximate construction duration is 18 months. Engineering and onsite services during the construction process were reviewed. Further reviewed was a breakdown of the fee estimates entailed in the engineering portion of the construction phase. The overall not-to-exceed price of the project shall increase by \$1,331,314 from an original contract value of \$1,078,385 to \$2,409,699.

Following discussion, it was a consensus of the Committee to recommend approval of Task Order No. 4 with Carollo to provide the engineering/consulting services for the construction of the NEWTP. The Committee further recommended that the Commission approve the timeline presented by Carollo and to move forward with the bidding process which will include the generator in the base bid. It was also noted that the alternate bid item would be further addressed at a later date (on-site sodium hypochlorite). Furthermore, the Planning Committee directed General Manager Harren to oversee any minor changes as they evolve relating to the construction process.

**Recommendation:**

Following review and discussion, it was a consensus of the Planning Committee to concur with staff's recommendation and to approve Task Order No. 4 with Carollo for the construction portion of the NEWTP project and to proceed with the bidding process by issuing a Call for Bids for the project. This recommendation will be presented to the Commission for consideration and approval at the June 27<sup>th</sup> MUC meeting.

2. **Financing of the NEWTP Project:** (Finance & Office Serv. Supv. Andrea Prekker and General Manager Harren)

General Manager Harren opened discussion by provided a high-level recap of information related to the financing of the NEWTP project. Since WMU has been unsuccessful in receiving grant funding, Finance & Office Serv. Supv Prekker reviewed with the Planning Committee three bond funding options for consideration (10-yr., 20-yr., and 25-yr.). It was the recommendation of staff to issue a bond for the approximate amount of \$24 million.

Taking into consideration future interest rates and additional unknowns, it was the recommendation of Commissioner Mueske to select the 10-year bond option. Commissioners Erickson and Laumer strongly concurred with the recommendation.

**Recommendation:**

Following review and discussion, it was the consensus of the Planning Committee to recommend proceeding with the 10-year bond sale as presented. The recommendation will be shared with the Labor

Committee at their June 21<sup>st</sup> meeting. This recommendation will be presented to the Commission for consideration and approval at the June 27<sup>th</sup> MUC meeting.

**3. Emergency Generation Discussion:** (Facilities & Maintenance Supv. Kevin Marti)

Facilities & Maintenance Supervisor Marti presented the Planning Committee with the current WMU Emergency Generation Response Plan which was approved by the Commission in 2020. This plan provides for electric service during localized emergency events (i.e. tornado, ice, etc.) and combines WMU's existing 12 MW of diesel generation with 14 MW of rental generation to perform rolling blackouts as needed. Operational costs to operate the seven rental units are \$730,000/week (2021 pricing) and subject to availability.

Midcontinent Independent System Operator (MISO) is anticipating energy shortfalls this summer. As a MISO member, WMU may be called upon to run additional generation and be required to shed up to 30% of its energy load at specified intervals.

In conclusion, the Emergency Generation Response Plan is intended for a localized catastrophic event. MISO's potential energy shortage would require load shedding and possible rolling blackouts. Staff will continue to evaluate emergency generation scenarios. Disease

**4. MISO Request for Energy Emergency Alert (EEA):** (Staff Electrical Engineer Jeron Smith)

Missouri River Energy Services (MRES) is aware that there may be the need to address potential MISO energy shortages this summer. To assist, MRES has provided an Energy Emergency Alerts (EEA) template to help establish communication with our customers during these times. Specific notices would serve as an efficient means of communicating with the public to assist with energy conservation in an effort to avoid rolling blackouts. In the first phase of energy conservation, load shedding requests will be issued. If additional energy reduction is required, rolling blackouts would be warranted. WMU is developing a community outreach response plan. There are a number of unknown factors involved (i.e. heat, generation load, conservation measures) that will affect the need to issue emergency response alerts.

At this time, energy emergency notifications are being established including the issuing of notices via public communications/media (i.e. newspaper, radio, etc.).

**5. Adjournment:**

There being no further business to come before the WMU Planning Committee, Commissioner Mueske declared the meeting adjourned at 1:30 pm.

**WILLMAR MUNICIPAL UTILITIES**  
**MUC Labor Committee Meeting Minutes**  
**Tuesday, June 21, 2022**  
**12:00 pm (WMU Conference Room)**

Attendees: Commissioners Dave Baumgart, Kadar Abdi & Kerry Johnson (arrived at 12:05 pm), General Manager John Harren, Director of Administration Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, IS Coordinator Mike Sangren, and Executive Secretary Beth Mattheisen.

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

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**1) New WMU Logo:** (Director of Administration Janell Johnson)

The Labor Committee was asked to provide input on the final design options (4) for a new WMU logo. The intent of the new logo is to better reflect the services of the Utility and present a more recognizable image of WMU. Previously, the Labor Committee had selected four designs prepared by staff to be submitted to Baker Graphics for their final design. These options were presented for input and consideration.

**Recommendation:**

Following review and discussion, it was a consensus of the Planning Committee to recommend logo design 2.b. as the newly rebranded logo to represent WMU. This recommendation will be presented to the Commission for approval at the June 27<sup>th</sup> meeting.

**2) Accounting/Billing Software:** (Finance & Office Services Supv. Andrea Prekker and IS Coordinator Mike Sangren)

Finance & Office Services Supv. Prekker informed the Committee that six proposals had been received for the upgrading of the financial/accounting and utility billing software. WMU is upgrading its current software to provide more concise and advanced service processes. The main requirement of the software was to be Fund Based Accounting which would best address governmental accounting needs.

Following extensive research and additional demos by the top three prospective vendors, it was the recommendation of staff to proceed with Tyler Technologies. Tyler has demonstrated a solid fund accounting-based software that meets all criteria in the specifications and remains within our projected budget. It was further noted that Tyler is a municipal-based software provider, while WMU's current provider is more reflective of a cooperative-based system. The total cost for the software system upgrade is \$156,878 which includes both customer and financial information systems, conversion, implementation, and training. Full implementation of the software upgrade would be conducted within a 12-month timeframe, which if approved, would begin in July (2022).

**Recommendation:**

Following discussion, it was a consensus of the Labor Committee to recommend entering into agreement with Tyler Technologies to provide the upgraded accounting/financial and billing software. This recommendation will be presented to the Commission for approval at the June 27<sup>th</sup> MUC meeting.

**3) Water Rates and NEWTP Funding:** (Finance & Office Services Supv. Andrea Prekker)

General Manager Harren informed the Planning Committee that to date no State or Federal grant funding has been obtained to assist with financing of the NEWTP project. Therefore, Finance & Office Services Supv. Prekker presented a review of three bond funding options being considered (10, 20, and 25-year). At their June 20<sup>th</sup> meeting, the Planning Committee selected the 10-year bond option in the approximate amount of \$24 million to be presented to the Commission for approval. It was noted that WMU has an approved policy that requires a retention threshold of 50% to remain in fund reserves (APPA based recommendation). Therefore, it was determined that the 10-year option would be the most advantageous option taking into consideration the need for a second water treatment plant project will be required in the near future.

(This was for information only and no action required.)

**4) Miscellaneous: Load Control Program** (General Manager John Harren)

With the heat this week, came problems with the current Load Share program. This program is designed to conserve energy by cycling central air conditioners every 15 minutes. Normally, customers do not notice the disruption in the comfort of their home when the program is being utilized. However, numerous units were not responding correctly (remaining off for extended periods). Therefore, the program was deactivated. WMU will be discontinuing the Load Share program for the remainder of this summer or until all issues have been resolved. Staff will be conducting outreach to all parties involved with the program.

**5) Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Kadar offered a motion to adjourn. Commissioner Baumgart seconded the motion which carried, and the meeting was adjourned at 12:49 pm by a vote of three ayes and zero nays.