

**WILLMAR MUNICIPAL UTILITIES COMMISSION**  
**MEETING MINUTES - JULY 25, 2022**  
**11:45 AM - WMU AUDITORIUM**

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, July 25, 2022, at 11:45 am in the WMU Auditorium with the following Commissioners present: Cole Erickson, Dave Baumgart, Carol Laumer and Kadar Abdi. Absent were Commissioners Bruce DeBlieck, Shawn Mueske and Kerry Johnson.

Others present at the meeting were: General Manager John Harren, Director of Administration Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Staff Electrical Engineer Jeron Smith, IS Coordinator Mike Sangren, Customer Service Representative Kim Wesbur, City Councilman Michael O'Brien, City Attorney Robert Scott (via teleconference), WC Tribune Journalist Jennifer Kotila, and Consultant Dave Berg of DBC (via teleconference).


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

**RESOLUTION NO. 27**

"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 July 11, 2022, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20220937 to No. 20221022 and associated wire transfers inclusive in the amount of \$5,659,291.62.

Dated this 25<sup>th</sup> day of July 2022.

  
Vice President

Attest:

  
Secretary

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

At this time, Commissioner Erickson introduced Dave Berg of Dave Berg Consulting (DBC) who presented the Commission with a thorough review of the 2022 Water Utility Cost of Service & Rate Design Study results (study period is 2022-2026). The report summarizes the analyses undertaken and the resulting recommendations for changes to the existing rates. The recommended rate adjustments have been made based on overall revenue needs of the Utility and the results of the cost-of-service analysis. As a result of the study, a series of four water rate adjustments have been recommended. The water rate increase recommendations would be: 20% in 2023; 20% in 2024; 20% in 2025; and, 5% in 2026. The water increases are necessitated by the need for significant capital improvements including construction of a new water treatment plant (NE Water Treatment Plant) in 2023 and replacement of ageing water mains associated with reconstruction of streets. These rate adjustments are necessary to ensure the continued financial strength of the Water Division.

Harren further stated upon adoption of the rate study the process starts to amend the rate ordinance which will have an effective January 1, 2023. Following extensive input and discussion, Commissioner Baumgart offered a resolution to approve the Water Rate Study as presented. Furthermore, Staff will develop a four-year rate ordinance to be presented to the Commission reflecting the requested water rate adjustments. Commissioner Laumer seconded.

**RESOLUTION NO. 28**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the 2022 WMU Water Utility Cost of Service and Rate Design Study conducted by Dave Berg Consulting, LLC, be approved as presented."



Dated this 25th day of July 2022.



Vice President

Attest:



Secretary

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

Commissioner Erickson (PC Vice Chair) reviewed with the Commission the July 19th WMU Planning Committee meeting minutes (see attached). The sole topic of discussion focused on the funding requirements stipulated to meet guidelines of the federal Congressional Direct Spending (CDS) dollars for the construction of the NE Water Treatment Plant (NEWTP) project. While efforts to secure state and federal funding have been unsuccessful to date, there is a possibility that WMU could be awarded some federal dollars (max of \$3.5 million). However, with federal dollars there are strict guidelines that must be adhered to. Keep the stipulations in the project specifications (currently in the specs), could significantly limit the bidders pool and increase project cost in excess of the federal dollars (i.e. construction costs, reporting requirements). Following a review of the presented minutes, Commissioner Laumer offered a motion to approve the minutes as presented. Commissioner Kadar seconded the motion which carried by a vote of four ayes and zero nays.

In conjunction with the Planning Committee meeting, the Commission was requested to eliminate the requirements for acceptance of federal grant funding from the NEWTP project specifications. Following discussion, Commissioner Laumer offered a motion to approve the elimination of the requirements associated with acceptance of federal grant dollars from the current NEWTP project specifications. Commissioner Baumgart seconded the motion which carried by a vote of four ayes and zero nays.

Staff Electrical Engineer Smith presented the Commission with a transmission availability update. This verbal report was given as a follow-up from previous Commission discussions.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. Tentative future Labor Committee agenda item(s) will include new WMU logo. 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 tour of Red Rock Hydroelectric Project (Pella, IA): August 18
- MMUA Summer Conference (Madden's Resort): August 22-24 (DeBlicek/Laumer/Harren)
- MERS Policy Makers Dinner (Willmar with site TBD): September 20
- MRES Leadership Academy (Sioux Falls, SD): September 21-22

There being no further business to come before the Commission, Commissioner Baumgart offered a motion to adjourn. Commissioner Kader seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 12:20 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Kim Wesbur  
Customer Service Representative

ATTEST:



Carol Laumer, Secretary



**WILLMAR MUNICIPAL UTILITIES**  
**MUC Planning Committee Meeting Minutes**  
**Monday, July 19, 2022**  
**10:00 am – WMU Conference Room**

Attendees: Commissioners Shawn Mueske, Cole Erickson & Carol Laumer, General Manager John Harren, Water System Supervisor Alan Neer, Executive Secretary Beth Mattheisen, Carollo Engineer Vinnie Hart (via teleconference), and Bolten & Menk Engineers Jared Voge & Kristopher Swanson.

Commissioner Mueske (PC Chair) called the meeting to order at 10:00 am.

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1. **NEWTP Project Funding:** (Carollo Engineer Vinnie Hart)

Carollo Engineer Hart presented the Planning Committee with an overview of funding requirements specifically those stipulated to meet federal bond funding guidelines. While efforts to attain both state and federal funding for the NEWTP have been unsuccessful to date, there is a possibility that WMU could be awarded some federal funding (maximum of \$3.5 million). However, with the federal funding there are specific requirements that must be achieved such as Disadvantaged Business (DBE), Davis Bacon Wage Determination & State of MN Prevailing Wage, American Iron & Steel (AIS), and BABA. These additional stipulations can limit the bidders pool while adding extra construction costs and reporting requirements to the project.

General Manager Harren added that with long-term reporting and additional construction costs required for accepting federal funding, we could possibly break even at best (federal dollars vs additional expenses incurred). The downside is that by leaving these bid requirements in the project specifications, WMU will incur increased construction costs with no assurance of federal funding. Therefore staff is recommending that the requirements for acceptance of federal funding be deleted from the project specifications. Engineer Hart further added that removing the requirements does not affect the integrity of the project, and actually opens the door to a bigger pool of potential contractors.

While plans and specifications currently include the requirements, an amendment can be made to reflect the deletion of the requirements. It was noted that an informational, pre-bid meeting to discuss the project and specifications with potential contractors will be held on Thursday, July 21<sup>st</sup> at 1:00 pm (WMU Auditorium).

**Recommendation:**

Following review and discussion, Commissioner Erickson offered a motion to support staff's recommendation to delete requirements for acceptance of federal grant funding from the NEWTP project specifications. Commissioner Laumer seconded the motion which carried by a vote of three ayes and zero nays. This recommendation will be presented to the Commission for consideration and approval at the July 25<sup>h</sup> MUC meeting.

2. **Adjournment:**

In conclusion, Commissioner Mueske thanked Engineers Hart (Carollo) and Voge & Swanson (Bolton & Menk) for their input and knowledge concerning this crucial project.

There being no further business to come before the WMU Planning Committee, Commissioner Mueske declared the meeting adjourned at 10:24 am.

