

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES - OCTOBER 10, 2022
11:45 AM - WMU AUDITORIUM

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, October 10, 2022, at 11:45 am in the WMU Auditorium with the following Commissioners present: Bruce DeBlieck, Cole Erickson, Dave Baumgart, Shawn Mueske, and John Kennedy. Absent were Commissioners Carol Laumer and Kadar Abdi.

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, IS Coordinator Mike Sangren, Executive Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), Linemen Joe Johnson & Ryan Kobliska, and WC Tribune Journalist Jennifer Kotila.

Due to the absence of Commission Secretary Laumer, Commission President DeBlieck opened the meeting by appointing Commissioner Mueske to serve as Acting Secretary. Following the appointment, the Pledge of Allegiance was recited followed by Commissioner DeBlieck welcoming newly appointed Commissioner John Kennedy III (ratified at the City Council's October 3rd mtg.). Commissioner DeBlieck next inquired if Commissioner Kennedy would be willing to serve on the WMU Labor Committee. Commissioner Kennedy accepted the position. We appreciate Commissioner Kennedy's willingness to serve and look forward to his involvement as a valued member of the Willmar Municipal Utilities Commission.


Commissioner DeBlieck followed 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 Baumgart offered a resolution to approve the consent agenda as presented. Commissioner Mueske 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 September 26, 2022, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20221355 to No. 20221429 and associated wire transfers inclusive in the amount of \$1,098,216.69.

Dated this 10th day of October, 2022.


President

Attest:


Acting Secretary

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

At 11:50 a.m., Commissioner DeBlieck announced that a public hearing to address water rate adjustments would be conducted. DeBlieck informed the Commission and those in attendance of the rules and regulations involved in conducting the public hearing. It was further noted that legal notice had been published in the West Central Tribune on October 1, 2022. No citizens from the general public were in attendance to address the Commission. General Manager Harren provided details and data regarding the proposed water rate adjustments. Following discussion and reading of the proposed resolution, Commissioner DeBlieck requested a motion to close the public hearing. Commissioner Mueske offered a motion to close the public hearing to consider approval of the proposed resolution. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays, and the public hearing was closed at 12:02 pm. Following further discussion, Commissioner Mueske offered a resolution to approve the proposed resolution recommending

that the Willmar City Council proceed with the process to implement water rate adjustments for the year 2023-2026. Commissioner Erickson seconded.

RESOLUTION NO. 40

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

Finance & Office Services Supervisor Prekker presented the Commission with the August 2022 Financial Reports along with a recap of the August 2022 Investment Portfolio, and the August 2022 Cost of Power Report. 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 2021/2022 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 September 2022 Wind Turbine Report. Turbine availabilities for the month of September were at 48.1% (Unit #3) and 84.7% (Unit #4) with a total monthly production of 311,668 kilowatt hours. Marti noted that availability for both units was lower this month due to annual maintenance being conducted on the turbines. The 2022 total production through September is 5,929,749 kilowatt hours.

Director of Administration Johnson reviewed with the Commission the efforts being applied to collect unpaid utility bills include utilizing the lien process. This process includes sending lien letters to the individuals offering the opportunity to come before the Commission to contest the proposed lien against their property. To date, we have received no requests to contest any of the parcels identified. While efforts continue to collect these unpaid utility bills, Johnson was asking the Commission to approve a resolution requesting the City Council to place liens on the properties for their unpaid utility bills. The total amount of the 22 requested property liens is \$21,744.55. Following discussion, Commissioner Erickson offered a resolution to request the City Council to place liens on the 22 identified properties for the total collectable amount of \$21,744.55. Commissioner Baumgart seconded.

RESOLUTION NO. 41

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Municipal Utilities Commission requests the Willmar City Council to place liens on twenty-two identified properties for non-payment of utility bills for the total collectible amount of \$21,744.55."

Dated this 10th day of October, 2022.



President

Attest:



Acting Secretary

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

Recently, Missouri River Energy Services (MRES) issued a news release announcing that Western Minnesota Municipal Power Agency (WMMPA) was upgraded to a rating of Aa2 from Aa3 with a stable outlook by the national rating service company Moody's Investors Service. WMMPA's outstanding power supply revenue bonds are secured by revenues it receives through an agreement with MRES. This upgrade reflects WMMPA's history of sound financial policies, which have resulted in consistent strong liquidity and debt service coverage, along with the diversity and overall credit quality of the 61 utility system members, and conservative financial policies.

At this time, WMU Linemen Joe Johnson and Ryan Kobliska were introduced to share with the Commission their recent experience providing mutual aid efforts in Bartow, Florida. On Friday, September 30th, they

joined a group of approximately 40 crew members assembled by Minnesota Municipal Utilities Association (MMUAA) to assist in restoring power to customers and repairing damage caused by the devastation created by Hurricane Ian. Damage in Bartow was widespread with mature oak trees blocking roadways, broken poles, wire on the ground, and power outages for thousands of utility customers. The Minnesota crew began their trip home on Wednesday, October 5th. On behalf of the city of Bartow, MMUA, WMU staff and Commission, a special thank you to Joe and Ryan for their willingness to provide the needed support to assist in the restoration process.

General Manager Harren stated that meetings of both the WMU's Labor and Planning Committees will be forthcoming. Tentative future Labor Committee agenda items will include new WMU logo, year-end policy review, General Manager's year-end review, and health insurance premium adjustment. Tentative future Planning Committee agenda items will include Sprint agreement, year-end policy review, and new building.

For information: Upcoming events to note include:

- MRES Area Meeting: October 26th (Alexandria – Arrowwood Conference Center)

There being no further business to come before the Commission, Commissioner Kennedy offered a motion to adjourn. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays, and the meeting was adjourned at 12:25 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES


Beth Mattheisen
Executive Secretary

ATTEST:


Shawn Mueske, Acting Secretary

WILLMAR MUNICIPAL UTILITIES RESOLUTION 2022 - #40

**A RESOLUTION TO RECOMMEND THAT THE WILLMAR CITY COUNCIL IMPLEMENT
WATER RATE ADJUSTMENTS FOR 2023-2026**

- WHEREAS, Pursuant to Section 4.05, subdivision 2(G) of the Willmar Charter, the Willmar Municipal Utilities Commission (Commission) has the power and responsibility to recommend to the Willmar City Council (City Council), after holding hearings, rates to be charged for water, electricity, and any other utility services sold by the Commission; and
- WHEREAS, WMU commissioned a Water Utility Cost of Service and Rate Design Study that was completed by Dave Berg Consulting LLC, a draft of which was accepted by the Commission on July 25, 2022 (rate study), which study included bond financing of the Water Treatment Plant, recommended increases in water service rates in the amounts of 20% in 2023, 20% in 2024, 20% in 2025, and 5% in 2026, all in order to continue providing the high quality of service expected by WMU Customers; and
- WHEREAS, Following further evaluation, the Commission approved utilizing in-house financing for the Water Treatment Plant to significantly lessen the recommended water rate adjustment amounts to 20% in 2023, 5% in 2024, 4% in 2025, and 3% in 2026; and
- WHEREAS, The Commission duly noticed and conducted a public hearing on its proposed rate adjustments for 2023 through 2026 as detailed herein at the Commission's regular meeting on October 10, 2022; and
- WHEREAS, Pursuant to Section 2.12, subdivision 1(E) of the Willmar Charter, the City Council has the power and responsibility to regulate the rates charged for utility services by the Commission and the City by ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE WILLMAR MUNICIPAL UTILITIES COMMISSION THAT:

1. The Commission recommends to the City Council that the rates for water service provided by the Commission be increased from existing rates by 20% effective January 1, 2023, an additional 5% above such 2023 rates effective January 1, 2024, an additional 4% above such 2024 rates effective January 1, 2025, and an additional 3% above such 2025 rates effective January 1, 2026.
2. The Commission further recommends that the City Council adopt the ordinance attached hereto as Appendix A and incorporated herein by reference implementing the water rate adjustments as detailed in Paragraph 1 above.

PASSED by the Willmar Municipal Utilities Commission on this 10th day of October, 2022.

/s/ Bruce DeBlieck, President

ATTEST:

/s/ Shawn Mueske, Acting Secretary

APPENDIX A

Draft Ordinance Implementing Recommended Utility Rates for 2023-2026

ORDINANCE NO. _____

AN ORDINANCE AMENDING WATER RATES CHARGED BY THE MUNICIPAL UTILITIES COMMISSION OF THE CITY OF WILLMAR, A PUBLIC UTILITY, TO BE EFFECTIVE FOR BILLINGS SENT ON AND AFTER JANUARY 1, 2023.

BE IT ORDAINED, by the City Council of the City of Willmar as follows:

Section 1. 2023 WATER RATES. Beginning on January 1, 2023, the rates for water service provided by the Municipal Utilities Commission shall be as follows:

The rate for water service shall be the sum of the demand charge, consumption charge and customer charge as follows:

<u>Demand Charge</u>	<u>Rate/Month</u>	
Meter Size		
5/8".....		\$4.51
3/4".....		\$6.52
1".....		\$11.47
1 1/2".....		\$25.85
2".....		\$46.07
3".....		\$103.85
4".....		\$184.31
6".....		\$414.92
<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential	\$3.16	\$2.45
Multi-Unit Housing	\$2.42	\$1.94
Commercial.....	\$2.17	\$1.69
Industrial.....	\$1.87	\$1.46
<u>Fixed Cost Fee</u>	<u>Rate/Month</u>	
Residential		\$13.60
Multi-Unit Housing*		\$ 4.51
Commercial.....		\$22.48
Industrial		\$56.17

*Multi-Unit Housing Rate: \$/month/unit

Section 2. 2024 WATER RATES. Beginning on January 1, 2024, the rates for water service provided by the Municipal Utilities Commission shall be as follows:

The rate for water service shall be the sum of the demand charge, consumption charge and customer charge as follows:

<u>Demand Charge</u>	<u>Rate/Month</u>
Meter Size	
5/8".....	\$4.74
3/4".....	\$6.84
1".....	\$12.05
1 1/2".....	\$27.14
2".....	\$48.37
3".....	\$109.04
4".....	\$193.52
6".....	\$435.67

<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential	\$3.31	\$2.57
Multi-Unit Housing	\$2.54	\$2.04
Commercial.....	\$2.28	\$1.78
Industrial.....	\$1.97	\$1.54

<u>Fixed Cost Fee</u>	<u>Rate/Month</u>
Residential	\$14.28
Multi-Unit Housing*	\$ 4.74
Commercial.....	\$23.60
Industrial	\$58.98

*Multi-Unit Housing Rate: \$/month/unit

Section 3. 2025 WATER RATES. Beginning on January 1, 2025, the rates for water service provided by the Municipal Utilities Commission shall be as follows:

The rate for water service shall be the sum of the demand charge, consumption charge and customer charge as follows:

<u>Demand Charge</u>	<u>Rate/Month</u>
Meter Size	
5/8".....	\$4.93
3/4".....	\$7.12
1".....	\$12.53
1 1/2".....	\$28.23
2".....	\$50.31
3".....	\$113.40
4".....	\$201.26
6".....	\$453.10

<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential	\$3.45	\$2.67
Multi-Unit Housing	\$2.64	\$2.12
Commercial.....	\$2.37	\$1.85
Industrial.....	\$2.04	\$1.60

<u>Fixed Cost Fee</u>	<u>Rate/Month</u>
Residential	\$14.85
Multi-Unit Housing*	\$ 4.93
Commercial.....	\$24.54
Industrial	\$61.34

*Multi-Unit Housing Rate: \$/month/unit

Section 4. 2026 WATER RATES. Beginning on January 1, 2026, the rates for water service provided by the Municipal Utilities Commission shall be as follows:

The rate for water service shall be the sum of the demand charge, consumption charge and customer charge as follows:

<u>Demand Charge</u>	<u>Rate/Month</u>
Meter Size	
5/8".....	\$5.07
3/4".....	\$7.33
1".....	\$12.90
1 1/2".....	\$29.07
2".....	\$51.82

3"	\$116.80
4"	\$207.30
6"	\$466.69

<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential	\$3.55	\$2.75
Multi-Unit Housing	\$2.72	\$2.18
Commercial.....	\$2.44	\$1.90
Industrial.....	\$2.11	\$1.65

<u>Fixed Cost Fee</u>	<u>Rate/Month</u>
Residential	\$15.29
Multi-Unit Housing*	\$ 5.07
Commercial.....	\$25.28
Industrial	\$63.18

*Multi-Unit Housing Rate: \$/month/unit

Section 5. SUMMER RATE DEFINITION

The summer rates are defined as consumption months of May through September and billed June through October.

Section 6. REPEALER

This Ordinance repeals Sections #2, #3, #4, #5, and #6 of Ordinance #1442 (adopted November 4, 2019) to the extent that it is inconsistent therewith.

Section 7. EFFECTIVE DATES

This Amendment in rates shall be effective for billings sent on and after January 1, 2023 (Section 1), January 1, 2024 (Section 2), January 1, 2025 (Section 3), and January 1, 2026 (Section 4).

ATTEST:

Judy Thompson, City Clerk

Marvin Calvin, Mayor

VOTE: ___ PLOWMAN ___ O'BRIEN ___ ASMUS ___ FAGERLIE
 ___ ASK ___ NELSEN ___ BUTTERFIELD ___ DAVIS

This Ordinance introduced by Council Member: _____
This Ordinance introduced on: _____
This Ordinance published on: _____
This Ordinance given a hearing on: _____
This Ordinance adopted on: _____
This Ordinance published on: _____