

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES - JANUARY 9, 2023
11:45 AM - WMU AUDITORIUM

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, January 9, 2023, at 11:45 a.m. in the WMU Auditorium with the following Commissioners present: Bruce DeBlieck, Shawn Mueske, Dave Baumgart, Carol Laumer, and John Kennedy. Absent were Commissioners Cole Erickson 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, City Councilman Michael O'Brien, and WC Tribune Journalist Jennifer Kotila.

The meeting opened with reciting of the Pledge of Allegiance followed by the election of MUC Officers for 2023. Commissioner DeBlieck (2022 President) requested nominations for the positions. For the position of President, Commissioner Mueske offered a motion to nominate Commissioner DeBlieck to serve as President. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays. For the position of Vice President, Commissioner Laumer offered a motion to nominate Commissioner Mueske to serve as Vice President. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays. For the position of Secretary, Commissioner Laumer offered a motion to nominate Commissioner Baumgart to serve as Secretary. Commissioner Kennedy seconded the motion which carried by a vote of five ayes and zero nays. For the position of Treasurer, Commissioner Baumgart offered a motion to nominate Commissioner Kennedy to serve as Treasurer. Commissioner Mueske seconded the motion which carried by a vote of five ayes and zero nays.

The next order of business was to make the annual appointments to both the WMU Labor and Planning Committees. Commissioner DeBlieck expressed his appreciation to the Commissioners for their input and willingness to serve as members of the Labor and Planning Committees. DeBlieck requested consideration by Commissioners Mueske and Laumer to continue serving on the Planning Committee, and Commissioners Baumgart and Kennedy to continue serving on the Labor Committee. It was noted that after the City Council has completed its MUC appointment process, both the Labor and Planning Committees will each be appointed an additional member. Furthermore, Commissioner DeBlieck would serve as an interim for both committees as needed. Following discussion, Commissioner Laumer offered a motion to designate Commissioners Baumgart and Kennedy to serve on the 2023 WMU Labor Committee, and Commissioners Mueske and Laumer to serve on the 2023 WMU Planning Committee. Commissioner Mueske seconded the motion which carried by a vote of five ayes and zero nays.

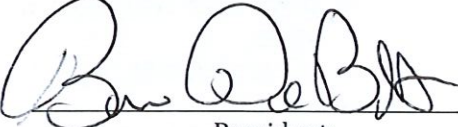
Commission President DeBlieck next inquired if any changes were needed to the agenda. There being none, DeBlieck requested a resolution to approve the Consent Agenda. Commissioner Mueske offered a resolution to approve the Consent Agenda as presented. Commissioner Baumgart seconded.

RESOLUTION NO. 1

"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 December 21, 2022, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20230001 to No. 20230053 and associated wire transfers inclusive in the amount of \$3,796,934.84.

Dated this 9th day of January, 2023.



President

Attest:


Secretary

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

In conjunction with annual business matters, Finance & Office Services Supervisor Prekker requested the Commission to approve US Bank and Heritage Bank as WMU's official depositories for 2023 (i.e. daily financial transactions and checking/savings account). Following discussion, Commissioner Mueske offered a motion to approve US Bank and Heritage Bank as the official depositories for the Willmar Municipal Utilities for 2023. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays.

Finance & Office Services Supervisor Prekker reviewed with the Commission with the November 2022 Financial Reports along with a recap of the November 30, 2022 Investment Portfolio, and November 2022 Cost of Power Report. The data presented included analyses of the Electric, Water, and Combined Divisions. Information contained in the reports reflects 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 December 2022 Wind Turbine Report. Turbine availabilities for the month of December were at 66.4% (Unit #3) and 74.3% (Unit #4) with a total monthly production of 444,245 KWh. The availability of the units was effected by not only CT/PT faults, but also by icing from the winter storms endured in December. The total production for 2022 was 7,723,531 KWh which is the third highest production year since the units went into operation (2009).

Facilities & Maintenance Supervisor Marti presented to the Commission with an annual recap of the Facilities & Maintenance Department. This summary included updates of both current and completed projects and additional items of interest as follows:

1) 2022 Year-in-Review: Facilities & Maintenance Department

- a) Power Plant:
 - i) Contract for professional services for abatement and demolition awarded to Braun Intertec
 - ii) Contract for abatement and demolition awarded to Rachel Contracting
 - iii) Abatement work is underway and on schedule (expected to take 14-16 weeks with demo to start immediately after)
- b) Wind Generation:
 - i) Major outages included oil cooling fan failure (Jan.) & breaker failure (Oct.) both on Unit #3
 - ii) Annual and weekly maintenance inspections completed
 - iii) July 2009-December 2022 Cost of Power:
 - (1) Total costs/total KWh produced: \$0.1508/KWh (\$0.1641 in 2021)
 - iv) 2022 Cost of Power:
 - (1) Total costs/total KWh produced: \$0.0182 KWh (\$0.0242 in 2021)
 - v) Total production for 2022: 7,723,531 KWh (3rd highest production year)
- c) Diesel Generation:
 - i) Ziegler completed annual maintenance on all six units
 - ii) Ziegler replaced generator fan bearings on unit #6
 - iii) WMU staff completed monthly maintenance checks/runs and quarterly URGE tests for MRES
 - iv) Per MISO/MRES request, units were run during Dec. 23rd winter storm
- d) Facilities:
 - i) Completed Priam Grazing Lease with new tenant

- ii) FEMA:
 - (1) Submitted claims for storm damage from the week of May 8th
 - (2) Applied for Benefit/Cost Assessment for Building Resilience & Infrastructure in Communities (BRIC) Grant (unsuccessful due to not meeting minimum BCA score)
 - (3) Submitted invoice for mutual aid provided to Bartow, Florida (Hurricane Ian)
- iii) Set up and utilized emergency alert system with Kandiyohi County
- iv) Completed Dept. of Homeland Security (DHS) upgrades to WMU facilities
- e) Capital Improvement Projects:
 - i) Downtown Street Lighting Project:
 - (1) All materials have been delivered
 - (2) Replacements are approximately 70% completed (Line Crews)
 - ii) Building Project/Rental Property Sale:
 - (1) In the process of acquiring land on identified parcels for new building
 - (2) Moving forward with the sale process of 810 Litchfield Ave. (rental property)
 - iii) Capital Equipment Purchase: Ordered new bucket truck (anticipated delivery is early 2023)

General Manager Harren provided the Commission with an update of the MUC appointment process by the City Council. The Council will be conducting their first meeting of the new year later today and there are three candidates identified for appointment to fill the two open seats on the Commission.

General Manager Harren shared with the Commission a letter of appreciation received from the City of Bartow, Florida. WMU provided mutual aid (via MMUA) to assist with restoration of power following the devastation caused by Hurricane Ian.

As stated per League of Minnesota Cities, Minnesota State Statues generally prohibit the acceptance of gifts by elected or appointed "local officials". Therefore as a means of disclosure for transparency, General Manager Harren provided the Commission with a listing of 2022 holiday gifts received throughout the Utility by business associates.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. Tentative future Planning Committee agenda items will include Sprint agreement, new building, water treatment plant, and new generation.

For information: 2023 Upcoming meetings/events to note include:

- MMUA Legislative Conference (St. Paul): January 24-25 (DeBlicek/Laumer/Harren)
- APPA Legislative Rally (Washington, D.C.): Feb. 27 through March 1 (DeBlicek/Laumer/Harren)
- APPA National Conference (Seattle, WA): June 18-21

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 five ayes and zero nays, and the meeting was adjourned at 12:30 pm.

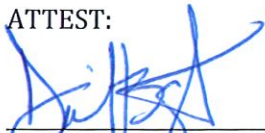
Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Executive Secretary

ATTEST:



Dave Baumgart, Secretary

