

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES - MARCH 13, 2023
11:45 AM - WMU AUDITORIUM

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, March 13, 2023, at 11:45 am in the WMU Auditorium with the following Commissioners present: Bruce DeBlieck, Shawn Mueske, Carol Laumer, John Kennedy, and Terrill Sieck. Absent were Commissioners Dave Baumgart and Patricia Elizondo.

Others present at the meeting were: General Manager John Harren, Director of Administration Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, IS Coordinator Mike Sangren, Executive Secretary Beth Mattheisen, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, Water System Supervisor Alan Neer, City Attorney Associate Cara Brown (via teleconference), and WC Tribune Journalist Jennifer Kotila.


Due to the absence of Commission Secretary Baumgart, Commission President DeBlieck opened the meeting by appointing Commissioner Laumer to serve as Acting Secretary. Following the appointment, the Pledge of Allegiance was recited. Commissioner DeBlieck continued 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 Laumer offered a resolution to approve the consent agenda as presented. Commissioner Kennedy seconded.

RESOLUTION NO. 8

“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 February 24, 2023, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20230267 to No. 20230352 and associated wire transfers inclusive in the amount of \$2,121,475.26.

Dated this 13th day of March, 2023.



President

Attest:



Acting Secretary

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

Finance & Office Services Supervisor Prekker reviewed with the Commission the January 2023 Financial Reports along with a recap of the January 31, 2023 Investment Portfolio, and January 2023 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 2022/2023 monthly year-to-date revenues, expenses, and retained earnings were also included with the financial data.

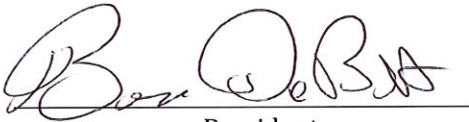
Facilities & Maintenance Supervisor Marti presented the Commission with the February 2023 Wind Turbine Report. Turbine availabilities for the month of February were 25.3% (Unit #3) and 41.6% (Unit #4) with a total monthly production of 96,412 kilowatt hours. Marti noted that production figures were significantly lower this month due to breaker failures on each of the units. The 2023 total production through February is 326,050 kilowatt hours.

Staff Electrical Engineer Smith presented the Commissioner with a bid award recommendation for the 2023 Annual Underground Construction. Two bids had been received to conduct the annual underground construction work. Following review of the submitted bids, it was the recommendation of Staff to award the 2023 Annual Underground Construction contract to O & S Construction for their estimated total bid amount of \$227,825.00 (estimated total cost is based on bid prices). Following review and discussion, Commissioner Mueske offered a resolution to approve the bid award for the 2023 Annual Underground Construction to O & S Construction for their estimated bid of \$227,825.00. Commissioner Laumer seconded.

RESOLUTION NO. 9

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the 2023 Annual Underground Construction be awarded to O & S Construction of Bird Island, Minnesota, for the estimated bid amount of \$227,825.00."

Dated this 13th day of March, 2023.


President

Attest:


Acting Secretary

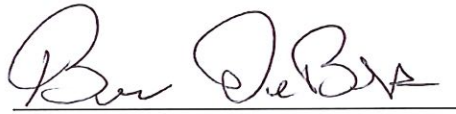
The foregoing resolution was adopted by a vote of five ayes and zero nays.

General Manager Harren requested the Commission to consider approval of proposed Contract No. 23-UGPR-12 between the City of Willmar (Willmar), Missouri River Energy Services (MRES), and Western Area Power administration (WAPA). This contract would designate MRES to provide Renewable Energy Certificates (REC) Management Services to Willmar, consistent with the WAPA Upper Great Plains Region REC Program Principles and applicable General Power Contract Provisions dated September 1, 2007. Following review, Commissioner Laumer offered a resolution to approve Contract No. 23-UGPR-12 designating MRES as Willmar's REC Management Service provider. Commissioner Kennedy seconded.


RESOLUTION NO. 10

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Contract No. 23-UGPR-12 between the City of Willmar and Missouri Basin Municipal Power Agency d.b.a. Missouri River Energy Services (MRES) designating MRES to provide REC Management Services on Willmar's behalf be approved as presented."

Dated this 13th day of March, 2023.


President

Attest:


Acting Secretary

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

Facilities & Maintenance Supv. Marti presented a progress update of the current Power Plant Abatement/Demolition Project. Key items/dates to note include:

- 1) Bids for the project were opened on August 25, 2022 with Rachel Contracting (St. Michael, MN) being awarded the project.
- 2) Abatement work began the week of October 24th and was completed February 16th.
- 3) Material salvage began the week of February 13th.
- 4) Demo work began the week of February 27th with cooling towers and foundations first removed.
- 5) Project is on schedule with anticipated completion in July and final project closeout by October.
- 6) Total project budget: \$4.4M with expenditures to date at \$2M.

Water System Supv. Neer presented the 2022 Year-End Review of the Water Department. The departmental report and noted items of interest included:

- 1) Capital Improvement Projects review:
 - i) NE Water Treatment Plant Project:
 - (1) Bid awarded to Gridor Construction in August with ground broke in October 2022.
 - (2) Total project budget:
 - (a) Construction costs: \$16.8M (payments to date \$4M)
 - (b) Engineering costs: \$1.3M (payments to date \$441,114)
 - ii) Water Main Replacement costs: \$1.6M
- 2) Water Main and Service Repairs costs: \$190,461
- 3) Annual water usage: 1.318BG (billion gallons)
- 4) 2023 Water Dept. preview (NE Water Treatment Plant, water main replacements, prioritizing 5-year project listing with the City, Well 15 Building, Booster Station controls)

Commissioners DeBlicke & Laumer and General Manager Harren provided a recap of their recent attendance at the 2023 APPA Legislative Conference held February 27-March 1. Among key legislative issues and talking points discussed were: Federal support for clean energy transition; preserve and protecting energy infrastructure and investments; public financing (including grant funding and bank financing); pole attachments; physical and cyber security; supply chain issues (specifically transformers); tax exemptions for bonds; and, support ending sequestration of federal payments related to Build America Bonds and refundable direct payment of energy tax credits. Following review, all expressed their appreciation to the Commission for allowing their attendance at this valuable and informative conference and encouraged others to attend in the future.

General Manager Harren informed the Commission that joint meetings between WMU Officials (General Manager Harren and 1-2 Commissioners) and City Officials (Mayor, Council, and City Administrator) were currently being scheduled. The purpose of these annual meeting(s) is to bring the City "up to speed" on projects and issues affecting the Utility.

As a member of Missouri River Energy Services (MRES), the Utility is provided a monthly update of the MRES and Western Minnesota Municipal Power Agency (WMMPA) Boards of Directors meeting. The February 2023 monthly update provided a brief overview of the topics discussed by the Boards and the actions taken.

General Manager Harren provided two weekly updates provided by Jacobson Law Group on their continued legislative efforts to secure financial assistance for the NE Water Treatment Plant Project (February 24th and March 3rd).

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming. In an effort to equalize meeting content, various topics were presented for Committee assignment. Following consensus of the Commission, tentative future Labor Committee agenda item(s) will include property/building sale, new building site purchase, and union

negotiations. Tentative future Planning Committee agenda items will include generation, new building, water treatment plant funding, Sprint agreement, and SunRay Water System.

For information: Upcoming 2023 events to note include:

- MRES Annual Meeting: May 10-11 (Sioux Falls, SD)
- APPA National Conference: June 18-21 (Seattle, WA)
- MMUA Summer Conference: August 21-23 (Duluth)

There being no further business to come before the Commission, Commissioner Laumer offered a motion to adjourn. Commissioner Kennedy seconded the motion which carried by a vote of five ayes and zero nays, and the meeting was adjourned at 1:08 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES


Beth Mattheisen
Executive Secretary

ATTEST:


Carol Laumer, Acting Secretary