

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES - JUNE 26, 2023
11:45 AM - WMU AUDITORIUM

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, June 26, 2023, at 11:45 am in the WMU Auditorium with the following Commissioners present: Shawn Mueske, Dave Baumgart, John Kennedy, Terrill Sieck, and Patricia Elizondo (arrived at 11:47 am). Absent were Commissioners Bruce DeBlieck and Carol Laumer.

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

The meeting opened by reciting the Pledge of Allegiance. Commission Vice President Mueske continued by asking if any revisions were needed to the presented agenda. There being none, a resolution to approve the consent agenda was requested. Following review and discussion, Commissioner Baumgart offered a resolution to approve the consent agenda as presented. Commissioner Kennedy seconded.

RESOLUTION NO. 20

"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 12, 2023, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20230850 to No. 20230908 and associated wire transfers inclusive in the amount of \$3,179,680.39.

Dated this 26th day of June, 2023.


Vice President

Attest:


Secretary

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

At the June 12th MUC meeting, discussion was held regarding the option to add more local generation to WMU's current system. The selected option for consideration would be to add four 2,725 kW diesel gensets in metal enclosures (additional 10,900 kW) to Willmar's current generation for a total of 21,850 kW (35%-40% of peak load). The main benefit of acquiring additional local generation is to provide additional reliability along with transmission stability and rate stabilizing to our community. General Manager Harren stated that the current estimated cost for the project is \$15 million and would be financed through bonding and potentially an electric rate increase (minimal). Harren further noted that the bonding for this project would have no impact on the City's bonding limits nor effect bonding for future projects (i.e. water treatment plant). Following discussion, Commissioner Baumgart offered a motion to proceed with the project to increase local generation as presented. Commissioner Kennedy seconded the motion which carried by a vote of five ayes and zero nays. (It was noted that while not in attendance, both Commissioners DeBlieck and Laumer had expressed their full support to proceed with the project.)

Finance & Customer Service Supv. Prekker presented the Commission with the 2023 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. Prekker provided background data and noted that the EAA has not been implemented since 2017. According to actual data through April 2023 and the forecast for the remainder of the year, WMU's energy costs remain below the established threshold of \$66/MWh. Therefore, staff 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.

General Manager Harren presented the Commission with a mid-year update of the General Manager Goals for 2023. 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 for 2023.

General Manager Harren informed the Commission that the City Council conducted a Public Hearing on June 20th to consider the sale of WMU property located at 810 Litchfield Avenue SW (formerly Gerry's Liquor and Taco John's). A purchase agreement for the sale had been reviewed and recommended for approval by the Willmar Planning Commission. Following the Public Hearing, the City Council approved WMU's property sale to Chaw's Asian Market as presented. WMU staff will proceed with the sale process as required.

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees will also be forthcoming. Tentative future Labor Committee agenda item(s) will include new building and union negotiations. Tentative future Planning Committee agenda items will include generation, new building, water treatment plant funding, and SunRay Water System.

For information: Upcoming 2023 events to note include:

- Annual WMU Employee/MUC Recognition Luncheon: June 28th @ 12:00 pm
- MMUA Summer Conference: August 21-23 (Duluth)

There being no further business to come before the Commission, Commissioner Mueske 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 12:15 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen
Executive Secretary

ATTEST:



Dave Baumgart, Secretary