

MEETING MINUTES – OCTOBER 9, 2023

11:45 AM – WMU AUDITORIUM

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, October 9, 2023, at 11:45 am in the WMU Auditorium with the following Commissioners present: Bruce DeBlieck, Shawn Mueske, Carol Laumer, John Kennedy, Patricia Elizondo, and Terrill Sieck. Absent was Commissioner Dave Baumgart.

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, Executive Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), and WC Tribune Journalist Jennifer Kotila.

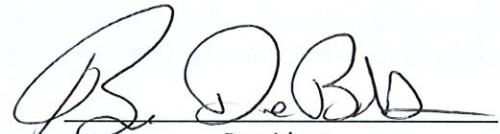
Due to the absence of Commission Secretary Baumgart, Commission President opened the meeting by appointing Commissioner Kennedy to serve as Acting Secretary. Following the appointment, the Pledge of Allegiance was recited. Commissioner DeBlieck next asked if there were any changes to the presented agenda. There being none, a resolution to approve the consent agenda was requested. Following review and discussion, Commissioner Mueske offered a resolution to approve the consent agenda as presented. Commissioner Laumer seconded.

**RESOLUTION NO. 31**

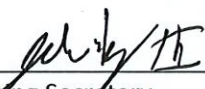
“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the consent agenda be approved as presented which includes:

- ❖ Minutes from the September 25, 2023, MUC Meeting; and,
- ❖ Bills represented by vouchers No. 20231395 to No. 20231458 and associated wire transfers inclusive in the amount of \$1,466,732.58.

Dated this 9<sup>th</sup> day of October, 2023.

  
President

Attest:

  
Acting Secretary

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

At 11:50 am, Commissioner DeBlieck announced that a public hearing to address water and electric 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 September 30, 2023. No citizens from the general public were in attendance to address the Commission. General Manager Harren provided details and data regarding the proposed water and electric rate adjustments. Following discussion of the proposed resolutions, Commissioner DeBlieck requested a motion to close the public hearing. Commissioner Laumer offered a motion to close the public hearing to consider approval of the proposed resolutions. Commissioner Kennedy seconded the motion which carried by a vote of six ayes and zero nays, and the public hearing was closed at 12:03 pm. Following further discussion, Commissioner Laumer offered a resolution to approve proposed Resolution #32 recommending

that the Willmar City Council proceed with the process to implement water rate adjustments for the years 2024-2026, effective January 1, 2024. Commissioner Mueske seconded.

#### RESOLUTION NO. 32

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

Following additional discussion, Commissioner Kennedy offered a resolution to approve proposed Resolution #33 recommending that the Willmar City Council proceed with the process to implement electric rate adjustments effective January 1, 2024. Commissioner Mueske seconded.

#### RESOLUTION NO. 33

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

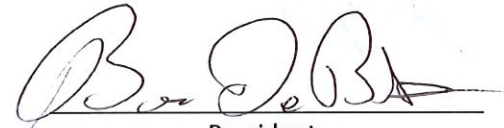
Facilities & Maintenance Supervisor Marti presented the September 2023 Wind Turbine Report. While both units were operational, damage caused by lightning along with additional issues continued to effect the availabilities. Wind turbine availabilities for the month of September were at 57.5% (Unit #3) and 83.1% (Unit #4) for a total monthly production of 286,900 kilowatt hours (kwh). The 2023 total production through September is 1,940,399 kwh. The costs associated with operating the units for the first ten months of 2023 is 8.33¢/kwh. Since the inception of the units in 2009, the operational cost has been calculated at 14.09¢/kwh. Additional discussions will be held to address the future of the aging units.

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 nine requested property liens is \$7,423.96. The Commission commended Staff for their successful collection efforts. Following discussion, Commissioner Mueske offered a resolution to request the City Council to place liens on the nine identified properties for the total collectable amount of \$7,423.96. Commissioner Laumer seconded.

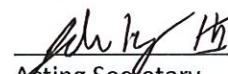
#### RESOLUTION NO. 34

"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 nine identified properties for non-payment of utility bills for the total collectable amount of \$7,423.96."

Dated this 9<sup>th</sup> day of October, 2023.

  
President

Attest:

  
Acting Secretary

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

General Manager Harren informed the Commission that MnDOT's property that WMU had interest in for the new facility site, will be going back to Dept. of Human Services. Staff will proceed with exploring additional site location options as previously identified.

IBEW Local #160 has informed Staff that union membership had ratified the negotiated labor contract between IBEW and WMU Staff. Upon receipt of the contract, a Labor Committee meeting will be scheduled to proceed with the process to finalize the proposed union agreement.

Additional meetings of both the WMU Labor and Planning Committees will be forthcoming. Tentative future Labor Committee agenda item(s) will include new building land acquisition, union negotiations, and Personnel Policies (annual review). Tentative future Planning Committee agenda items will include new building, water treatment plant funding, new generation, transmission project, water system model, and Operations Policies (annual review).

For information: Upcoming 2023 events to note include:

- Renville-Sibley new facility tour (Danube): Tues., October 24<sup>th</sup> @ 1:00 pm
- MRES Annual Meeting (Alexandria): Wed., October 25<sup>th</sup> @ 9:00 am
- WMU Planning Committee Meeting: Mon., October 30<sup>th</sup> @ 12:00 pm

There being no further business to come before the Commission, Commissioner DeBlieck offered a motion to adjourn. Commissioner Kennedy seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 12:28 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

  
Beth Mattheisen, Executive Secretary

ATTEST:

  
John Kennedy, Acting Secretary

**RESOLUTION NO. 32**  
**RESOLUTION TO RECOMMEND WILLMAR CITY COUNCIL**  
**IMPLEMENT WATER RATE ADJUSTMENTS EFFECTIVE JANUARY 1, 2024**

**BE IT RESOLVED**, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the rates for water service be set as follows:

**Section 1. 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" .....	\$5.41
3/4" .....	\$7.82
1" .....	\$13.76
1 1/2" .....	\$31.02
2" .....	\$55.28
3" .....	\$124.62
4" .....	\$221.17
6" .....	\$497.90

<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential .....	\$3.79	\$2.94
Multi-Unit Housing .....	\$2.90	\$2.33
Commercial.....	\$2.60	\$2.03
Industrial.....	\$2.24	\$1.75

<u>Fixed Cost Fee</u>	<u>Rate/Month</u>
Residential .....	\$16.32
Multi-Unit Housing* .....	\$ 5.41
Commercial.....	\$26.98
Industrial .....	\$67.40

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

**Section 2. 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" .....	\$5.63
3/4" .....	\$8.14
1" .....	\$14.31
1 1/2" .....	\$32.26
2" .....	\$57.50
3" .....	\$129.60
4" .....	\$230.02
6" .....	\$517.82

<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential .....	\$3.94	\$3.06
Multi-Unit Housing .....	\$3.02	\$2.42
Commercial.....	\$2.71	\$2.11
Industrial.....	\$2.33	\$1.82

<u>Fixed Cost Fee</u>	<u>Rate/Month</u>
Residential .....	\$16.97
Multi-Unit Housing* .....	\$ 5.63
Commercial.....	\$28.06
Industrial .....	\$70.10

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

**Section 3. 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" .....	\$5.80
3/4" .....	\$8.38
1" .....	\$14.74
1 1/2" .....	\$33.23
2" .....	\$59.22
3" .....	\$133.49
4" .....	\$236.92
6" .....	\$533.35

<u>Consumption Charge</u>	<u>Summer</u>	<u>Non-Summer</u>
Residential .....	\$4.06	\$3.15
Multi-Unit Housing .....	\$3.11	\$2.49
Commercial.....	\$2.79	\$2.17
Industrial.....	\$2.40	\$1.88

<u>Fixed Cost Fee</u>	<u>Rate/Month</u>
Residential .....	\$17.48
Multi-Unit Housing* .....	\$ 5.80
Commercial.....	\$28.90
Industrial .....	\$72.20

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

**Section 4. SUMMER RATE DEFINITION**

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

**Section 5. REPEALER**


The Municipal Utilities Commission recommends that the City Council repeal Ordinance #1493 (adopted November 21, 2022) to the extent that it is inconsistent herewith.

**Section 6. EFFECTIVE DATES**

The Municipal Utilities Commission recommends that the amendment in rates be effective for billings sent on and after January 1, 2024 (Section 1), January 1, 2025 (Section 2), and January 1, 2026 (Section 3).

**BE IT FURTHER RESOLVED** that this resolution be forwarded to the City Council of the City of Willmar with a recommendation to approve an ordinance authorizing the above rates.

Dated this 9<sup>th</sup> day of October, 2023.

  
President

Attest:

  
Acting Secretary

**RESOLUTION NO. 33**  
**RESOLUTION TO RECOMMEND WILLMAR CITY COUNCIL**  
**IMPLEMENT ELECTRIC RATE ADJUSTMENTS EFFECTIVE JANUARY 1, 2024**

**BE IT RESOLVED**, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the rates for electric service be set as follows:

**Section 1. ELECTRIC RATES**

The rates for electric service provided by the Municipal Utilities Commission shall continue as follows:

**Residential Service Rate**

The rate for residential service shall be the sum of the energy charge and the customer charge as follows:

	<b>Summer</b>	<b>Non-Summer</b>
Energy Charge all kWh .....	.1149	.1005
Fixed Cost Fee .....	\$10.85/mo.	\$10.85/mo.

**Heat Pump Rate**

The rate for heat pump service shall be as follows:

Energy Charge all kWh .....	.1149	.0823
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**Off-Peak Storage Heat & Electric Vehicle Charging Rate**

The rate for off-peak storage heat service & electric vehicle charging shall be as follows: service shall be as follows:

Energy Charge all kWh .....	.0594	.0594
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**Small Commercial Rate**

The rate for general service shall be the sum of the energy charge and the customer charge as follows:

Energy Charge all kWh .....	.1146	.1001
Fixed Cost Fee .....	\$16.85/mo.	\$16.85/mo.

**Three Phase Commercial Rate**

The rate for three phase commercial service shall be the sum of the energy charge and the customer charge as follows:

Energy Charge all kWh .....	.1146	.1001
Fixed Cost Fee .....	\$32.60/mo.	\$32.60/mo.

**Large Power Rate**

The rate for large power service shall be the sum of the demand, energy charge and the customer charge as follows:

**Primary Service**

Energy Charge all kWh .....	.0683	.0611
Demand Charge .....	\$14.45/kW	\$12.75/kW
Fixed Cost Fee .....	\$48.10/mo.	\$48.10/mo.

**Secondary Service**

Energy Charge all kWh .....	.0696	.0624
Demand Charge .....	\$14.75/kW	\$13.05/kW
Fixed Cost Fee .....	\$36.10/mo.	\$36.10/mo.

**Industrial Rate**

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

**Primary Service**

Energy Charge all kWh .....	.0659	.0588
Demand Charge .....	\$14.75/kW	\$13.05/kW
Fixed Cost Fee .....	\$48.10/mo.	\$48.10/mo.

**Secondary Service**

Energy Charge all kWh .....	.0673	.0601
Demand Charge .....	\$14.75/kW	\$13.05/kW
Fixed Cost Fee .....	\$36.10/mo.	\$36.10/mo.

**Section 2. SUMMER RATE DEFINITION**

Summer and non-heating season rates are defined as consumption months May through September, billing months of June through October.

**Section 3. ELECTRIC ENERGY ACQUISITION ADJUSTMENT**

There shall be added to all electrical energy billed an Energy Acquisition Adjustment. The Energy Acquisition Adjustment shall be calculated pursuant to the following formula:

The overall average cost of wholesale power and net transmission costs (transmission costs less transmission revenue) incurred above the weighted average cost established at the time of the current rate schedule.

**Section 4. CITY FRANCHISE FEE**

There shall be added to all utility bills a "City Franchise Fee" to be calculated by applying a rate to be determined by dividing the total kilowatt hours (kWhs) sold by WMU annually by the total Intergovernmental Transfer and street lighting cost incurred by WMU for the preceding calendar year to each customer kWh billed monthly for the next 12-month period.

**Section 5. REPEALER**


The Municipal Utilities Commission recommends that the City Council repeal Sections #1, #6, #7, #8, #9, and #10 of Ordinance #1442 (adopted November 4, 2019) to the extent that it is inconsistent herewith.

**Section 6. EFFECTIVE DATE**

The Municipal Utilities Commission recommends that the amendment in rates be effective for billings sent on and after January 1, 2024.

**BE IT FURTHER RESOLVED** that this resolution be forwarded to the City Council of the City of Willmar with a recommendation to approve an ordinance authorizing the above rates.

Dated this 9<sup>th</sup> day of October, 2023.

  
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President

Attest:

  
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Acting Secretary