

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, March 25, 2024, at 11:45 am in the WMU Auditorium with the following Commissioners present: Shawn Mueske, Dave Baumgart, Terrill Sieck, Carol Laumer, and Bruce DeBlieck. Absent were Commissioners John Kennedy and Patricia Elizondo.

Others present at the meeting were: General Manager John Harren, Director of Administration Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Staff Electrical Engineer Jeron Smith, Information Systems Supervisor Mike Sangren, Executive Secretary Beth Mattheisen, City Councilman Michael O'Brien, City Attorney Robert Scott (via teleconference), Mayor Doug Reese, City Administrator Leslie Valiant, Planning & Development Director Christopher Corbett, and WC Tribune Journalist Jennifer Kotila.

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

**RESOLUTION NO. 11**

"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 March 11, 2024, MUC Meeting; and,
- ❖ Bills represented by vouchers No. 20240328 to No. 20240404 and associated wire transfers inclusive in the amount of \$2,258,013.65.

Dated this 25<sup>th</sup> day of March 2024.

  
President

Attest:

  
Secretary

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

Commissioner Sieck (PC Vice Chair) reviewed with the Commission minutes from the March 18<sup>th</sup> WMU Planning Committee meeting (see attached). Following review and discussion, Commissioner DeBlieck offered a motion to approve the minutes as presented. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays.

Staff Electrical Engineer Smith informed the Commission that on March 11<sup>th</sup> bids were opened for the Furnishing of Diesel Generating Equipment. The initial bid received from Ziegler Inc. was for four new diesel generators, each installed in metal enclosures with a base bid price of \$11,356,796.00. With this bid, optional pricing was also offered for several add-on items (extended warranty, exhaust silencer, etc.). These options could be added later if needed. Following review by DGR Engineering (consultant), it was the recommendation of DGR and staff to award the bid to Ziegler Inc. for their base bid option in the amount of \$11,356,796.00. Following discussion, Commissioner Laumer offered a resolution to award the bid for the furnishing of four new diesel generators to Ziegler Inc. for the base bid of \$11,356,796.00. Commissioner Sieck seconded.

RESOLUTION NO. 12

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the Furnishing of Diesel Generating Equipment (four new gensets with related equipment and testing) be awarded to Ziegler Power Systems Inc. of Bloomington, Minnesota, for the base bid price of \$11,356,796.00."

Dated this 25<sup>th</sup> day of March 2024.

  
President

Attest:

  
Secretary

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

General Manager Harren shared with the Commission a recap of recent developments along with associated data relating to the SW Wellfield area (North Swansson Field). The four items presented were all sent to the City of Willmar on Friday, March 15<sup>th</sup>. The first item reviewed was a draft Joint Use Agreement between Willmar Municipal Utilities, Willmar Parks and Recreation Department, and the City of Willmar. This mutual agreement is being created to reflect the sharing of Swansson Field South by the three entities.

The next item reviewed was a memorandum received from WMU's wellhead protection/water supply consultants at Carlson McCain, Inc. This memo presented the potential impacts to water quality at the SW Wellfield from development in the area along with the challenges in preserving future well sites during development of the wellfield property for other uses.

A map was next discussed which illustrates current and proposed well locations along with the Willmar Avenue water main casing previously installed. This exhibit showed well site locations with the required distances as mandated by the MN Department of Health (minimum of 200-foot isolation distance).

The fourth item presented by General Manager Harren was the City of Willmar's Emergency Response Zone for the Minnesota Wellhead Protection Program. This program is crucial to safeguard the quality of drinking water in our community. It protects the areas surrounding public water supply wells or well fields that supply a public water system, where contaminants can move toward or reach the well or well field.

General Manager Harren further recapped recent meeting activities of both the City Council and City Planning Commission. Staff from both WMU and the City are scheduled to meet on Thurs., March 28<sup>th</sup> at 3:00 pm to further discuss options for consideration including the proposed Joint Use Agreement. In conjunction with the discussion, Councilman O'Brien expressed his concerns with protecting the current aquifer areas to safeguard Willmar's ground water resources. Commissioner Mueske also noted the City has expressed their interest in protecting the community's water supply. Additional discussions and updates will be forthcoming.

American Public Power Association (APPA) has a new 15-part on-demand training course entitled "*Public Power Governance Essentials*". This series offers a convenient way to get "up-to-speed" on governance requirements, such as complying with charters/bylaws, reporting conflicts of interest, understanding duties and legal obligations, and facilitating an effective board meeting. At this time, two informational training videos were presented (Lesson #5: "*Conflicts of Interest*" and Lesson #6: "*Conflicts of Interest Scenarios*").

As a member of Missouri River Energy Services (MRES), WMU is provided a monthly update of the MRES and Western Minnesota Municipal Power Agency (WMPMA) Boards of Directors meeting. The January 2024 monthly update provided a brief overview of the topics discussed by the Boards and the actions taken.

As a Board Member of the Minnesota Municipal Utilities Association (MMUA), Commissioner DeBlieck informed the Commission that due to the inclement weather forecast, the 2024 MMUA Legislative Conference scheduled for March 26-27 has been cancelled. Currently, virtual meetings are being scheduled to review/discuss legislative issues.

General Manager Harren informed the Commission that meetings of both the WMU Planning and Labor Committees would be forthcoming. Tentative future Labor Committee agenda item(s) will include new building land acquisition, Strategic Plan update, and MUC Self-Survey. Tentative future Planning Committee agenda items will include new building, new generation, and transmission projects.

Upcoming 2024 events to note:

- MRES Annual Meeting (Sioux Falls., SD): May 8-9
- APPA National Conference (San Diego, CA): June 7-12
- MMUA Summer Conference (Fargo, ND): August 19-21

There being no further business to come before the Commission, Commissioner DeBlieck 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 12:35 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

  
Beth Mattheisen, Executive Secretary

ATTEST:

  
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Dave Baumgart, Secretary



WILLMAR MUNICIPAL UTILITIES
MUC Planning Committee Meeting Minutes
Monday, March 18, 2024
12:00 pm (WMU Conference Room)

Attendees: Commissioners Terry Sieck, Dave Baumgart & John Kennedy, General Manager John Harren, Director of Administration Janell Johnson, Staff Electrical Engineer Jeron Smith, Facilities & Maintenance Supervisor Kevin Marti, and Executive Secretary Beth Mattheisen.

Commissioner Sieck called the meeting to order at 12:00 pm. The first order of business was to establish the 2024 Chair and Vice Chair positions for the WMU Planning Committee. Commissioner Baumgart nominated Commissioner Kennedy to serve as Chair for the Planning Committee for 2024. Commissioner Sieck seconded the motion which carried by a vote of three ayes and zero nays. Commissioner Kennedy next nominated Commissioner Sieck to serve as Vice Chair for the Planning Committee for 2024. Commissioner Baumgart seconded the motion which carried by a vote of three ayes and zero nays.

Following the appointments, PC Chair Kennedy proceeded to lead discussion with the Committee on the agenda topics as presented.

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1. Diesel Generation Project: (Staff Electrical Engineer Jeron Smith)

Staff Electrical Engineer Smith provided information on the proposed project to install four new 2,725 kW diesel gensets in metal enclosures. The cost of the project is currently estimated at \$17.1M, and the site location of the proposed units would be on the former Power Plant site. One bid was submitted by Ziegler CAT for the furnishing of four diesel gensets and associated equipment as specified.

Options for financing of the project based on cashflow and projections were discussed. One option was a 25-year bond that would be secured in mid-year of 2026 (estimated time frame). It was further noted that regarding financing, it is anticipated that the impact of this project on WMU rates would be relatively low.

Another factor addressed was the MN 2040 Carbon Free Law mandate. This current mandate stipulates 100% of electricity generated or procured for use in Minnesota must be from carbon-free resources by 2040. WMU applied for the air permit and was issued a perpetual permit by MPCA for the new units.

The current diesel generators owned by WMU are now 25 years old. These generators continue to be maintained and tested as required and have low hours of use on the units. The inclusion of the new gensets would support the continued availability of reliable power supply to meet the needs of our community in the future.

Recommendation:

Following review and discussion, it was a consensus of the WMU Planning Committee to recommend approval of the bid to Ziegler-CAT for the diesel generating equipment contingent upon project engineer DGR's recommendation. This recommendation will be presented to the Commission for approval at their March 25th meeting (Commissioners will have the opportunity to discuss the project more extensively during the meeting).

2. Physical security update: (Staff Electrical Engineer Jeron Smith)

At the February 12th MUC meeting, Commissioner Laumer recapped her recent attendance at the MMUA Security Threats & Preparation Workshop. Following the recap, it was a request of the Commission for an updated of physical security measures in place at WMU's facilities. Staff Electrical Engineer Smith provided an update including monitoring, response process, data sharing services, and additional steps to secure physical security. While particulars are confidential, it was noted that WMU staff has engaged local law enforcement to provide additional security measures as determined. These factors are also in collaboration with annual cybersecurity testing which is ongoing.

**3. SW Wellfield Development Activities (General Manager John Harren)**

General Manager Harren provided an update of recent activities and data relating to the SW Wellfield area (South Swansson Field). Well options including requirements and mandates were reviewed. The following information was reviewed and discussed:

- a. Joint Use Agreement between WMU and the City (draft)
- b. Memo from the consulting firm of Carlson McCain
- c. Proposed map of well locations including Willmar Ave. water main casing in place
- d. Emergency Response Zone map

This information was submitted to the City on Friday, March 15<sup>th</sup> (to date, no response has been received).

**Recommendation:**

Following review and discussion, it was a consensus of the WMU Planning Committee to share the presented data (4) with the full Commission at the March 25<sup>th</sup> MUC meeting.

**4. Adjournment:**

There being no further business to come before the WMU Planning Committee, Commissioner Baumgart offered a motion to adjourn. Commissioner Sieck seconded the motion which carried by a vote of three ayes and zero nays, and the meeting was adjourned at 1:05 pm.

