

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, May 13, 2024, at 11:45 am in the WMU Auditorium with the following Commissioners present: Shawn Mueske, John Kennedy, Dave Baumgart, Terrill Sieck, Carol Laumer, and Patricia Elizondo. Absent was Commissioner Bruce DeBlieck.

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, Staff Electrical Engineer Jeron Smith, Executive Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), City Councilmember Vicki Davis, and WC Tribune Journalist Jennifer Kotila. City Administrator Leslie Valiant and Planning & Development Director Christopher Corbett entered the meeting at 12:07 pm.


The meeting opened by reciting the Pledge of Allegiance. Commissioner 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 Laumer offered a resolution to approve the consent agenda as presented. Commissioner Baumgart seconded.

**RESOLUTION NO. 18**

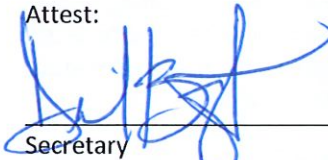
“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the consent agenda be approved as presented which includes:

- ❖ Minutes from the April 22, 2024, MUC Meeting; and,
- ❖ Bills represented by vouchers No. 20240543 to No. 20240645 and associated wire transfers inclusive in the amount of \$1,766,069.05.

Dated this 13<sup>th</sup> day of May 2024.

  
President

Attest:

  
Secretary

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

Commissioner Elizondo (LC Chair) reviewed with the Commission minutes from the April 30<sup>th</sup> WMU Labor Committee meeting (see attached). Following review and discussion, Commissioner Laumer offered a motion to approve the minutes as presented. Commissioner Baumgart seconded the motion which carried by a vote of six ayes and zero nays.

In conjunction with the Labor Committee minutes, the Commission was asked to approve proceeding with the purchase of the selected 12-acre parcel on the MinnWest Technology Campus (MWTC) for the new WMU facility. This site meets the identified needs of the Utility and its customers and has been mutually agreed upon by both WMU and MWTC. Discussion regarding water and wastewater services along with potential assessments were further addressed. Following discussion, Commissioner Laumer offered a resolution to formulate a purchase offer for the said property and to have City Attorney prepare a purchase agreement based on the appraised value of the property plus the estimated portion of the assessments (to be determined). Commission Sieck seconded.



## RESOLUTION NO. 19

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that City Attorney Robert Scott be authorized to prepare and submit a purchase offer (including identified contingencies) to MinnWest Technology Campus for 12-acres of parcel #95-508-0580 along with the estimated assessment costs (TBD)."

Dated this 13<sup>th</sup> day of May 2024.

  
President

Attest:

  
Secretary

The foregoing resolution was adopted by a vote of five ayes, zero nays, and one abstention (Commissioner Kennedy).

Finance & Office Services Supervisor Prekker reviewed the March 2024 Financial Reports along with a recap of the March 31<sup>st</sup> Investment Portfolio, and the March Cost of Power Report. The financial information contained in the report reflects operating revenues, expenses, retained earnings, and fund comparisons for both the Electric and Water Divisions.

Facilities & Maintenance Supervisor Marti presented the Commission with the April 2024 Wind Turbine Report. Turbine availabilities for the month of April were 79.2% (Unit #3) and 49.8% (Unit #4) with a total monthly production of 568,012 kilowatt hours (kwh). Affecting the availability on Unit #4 was a generator overspeed fault currently being addressed. The 2024 total production through April is 2,610,695 kwh. To date, the 2024 costs/kwh associated with operating the units is .9¢/kwh. Since the inception of the units in 2009, the operational cost has been calculated at 14.36¢/kwh.

Facilities & Maintenance Supervisor Marti reviewed with the Commission findings from the recent planning session held to update the current WMU Strategic Plan (2021). On May 1<sup>st</sup>, Marcy Douglas from MRES facilitated the session that was attended by members of the Commission and WMU management staff. Marti presented a draft of a 2024 Strategic Plan that was developed. The summary identified WMU's core values, long-range goals, and key performance indicators. The long-range goals contained five specific categories identified as: Electric Utility, Water Utility, Customer Experience, Utility Identify & Communication, and Leadership. Each of these topics listed components required to achieve the established goals. Commissioners were asked to review and provide any input they may have with the intent to finalize the 2024 WMU Strategic Plan at the May 28<sup>th</sup> MUC meeting.

Staff Electrical Engineer Smith provided a summary of a recent power outage. On April 24<sup>th</sup> at 12:22 am, WMU's protection system detected a substation transformer fault and automatically de-energized the East Substation. WMU crews inspected the transformer, isolated the damaged equipment, and restored the electric service. Approximately 1,800 customers were without electricity for 60 minutes. A follow-up investigation identified the damage was caused by a racoon located on top of the transformer. It was further revealed that some areas of rock had been slightly washed away under the fencing. Repairs are scheduled to resolve the issue.

Commissioner Mueske opened discussion on recent developments associated with the SW Wellfield area (North Swansson Field). General Manager Harren stated that staff had met with City reps on Friday, May 10<sup>th</sup> at which time the City provided an optional layout proposed for the area including well locations and stormwater ponds. Harren continued by reviewing a letter created by staff to be submitted to City officials regarding the public hearing scheduled for May 20<sup>th</sup>. The letter expressed the concerns of WMU based on input from the MN Dept. of Health and consultants Carlson McCain and requests that the letter be entered into public record for consideration (see attached copy). The City's proposed sale of 5.5 acres is an urgent matter which could greatly affect the water quality and supply for the future of our community. It was noted that during the discussion, City officials were asked if this was the only site that could be developed for the proposed project. City Administrator Valiant stated that no response would be given at this time but would be addressed at the public hearing on May 20<sup>th</sup>. Following additional discussion, Commissioner Baumgart offered a motion to execute the presented letter and enter it into public record



stating the concerns of WMU regarding Willmar's water supply. Commissioner Kennedy seconded the motion which carried by a vote of six ayes and zero nays.

A recap of the 59<sup>th</sup> MRES Annual Meeting was presented. This year's meeting theme was "*Collective Resilience*" and celebrated the many ways MRES is working to provide reliable, affordable, and sustainable energy. Attending the May 8-9 meeting were Commissioners Elizondo and Laumer, and WMU Staff members Harren, Johnson, and Smith. Included in the topics discussed were regulatory issues, permitting reform, incentivizing EV and renewables, cybersecurity, along with Western Area Power Administration update, and Federal Legislative updates. All attendees expressed their appreciation to the Commission for allowing them the opportunity to attend the informative event and encouraged others to attend in the future.

Due to the upcoming APPA National Conference (June 7-12), General Manager Harren stated that rescheduling of the June 10<sup>th</sup> MUC meeting should be considered. The Commission was asked to provide input at the May 28<sup>th</sup> meeting.

MRES is once again offering member tours of the Red Rock Hydroelectric Project (RRHP) this summer. RRHP (near Pella, IA) began operating in June 2021 and is the newest clean, renewable, and reliable power supply resource for MRES. Tour dates are scheduled for July 31, August 28, and September 25. Tours are limited to thirty people and pre-registration is required.

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, and MUC Self-Survey. Tentative future Planning Committee agenda items will include new building, new generation, transmission project, and water treatment plant.

Upcoming 2024 events to note:

- APPA National Conference (San Diego, CA): June 7-12 (Kennedy/Laumer/DeBlieck)
- MMUA Utility Leader Workshop (Alexandria): June 27
- MMUA Summer Conference (Fargo, ND): August 19-21

There being no further business to come before the Commission, Commissioner Baumgart offered a motion to adjourn. Commissioner Elizondo seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 12:38 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen, Executive Secretary

ATTEST:

  
\_\_\_\_\_  
Dave Baumgart, Secretary





**WILLMAR MUNICIPAL UTILITIES**  
**MUC Labor Committee Meeting Minutes**  
**Tuesday, April 30, 2024**  
**12:00 pm (WMU Conference Room)**

Attendees: Commissioners Patricia Elizondo, Bruce DeBlieck & Carol Laumer, General Manager John Harren, Director of Administration Janell Johnson, Facilities & Maintenance Supervisor Kevin Marti, and Executive Secretary Beth Mattheisen.

Commissioner Elizondo (2023 LC Vice Chair) 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 Labor Committee. Commissioner Laumer nominated Commissioner Elizondo to serve as Chair for the Labor Committee for 2024. Commissioner DeBlieck seconded the motion which carried by vote of three ayes and zero nays. Commissioner Laumer next nominated Commissioner DeBlieck to serve as Vice Chair for the Labor Committee for 2024. Commissioner Elizondo seconded the motion which carried by vote of three ayes and zero nays.

\*\*\*\*\*

**1) Purchase of MinnWest Technology Campus Property:**

Facilities & Maintenance Supv. Marti opened discussion with the Labor Committee on the status of the process to secure property for the new WMU facility. Based on criteria needed to meet the future needs of WMU and its customers, the selected site location is a 12-acre parcel on the MinnWest Technology Campus (MWTC). Site selection was the top site proposed for multiple reasons including ease of accessibility. WMU and MWTC have mutually agreed on the proposed parcel.

Per Commission directive, an appraisal of the property was conducted by Fagerlie Appraisal, Inc., in February 2024. Appraisal findings included the description, analysis and supporting data to determine the value of the property. Further data presented included six comparable property sites for additional information.

The next point of discussion focused on the availability of water and wastewater services for the site. An aerial map of the water and wastewater connection points and proposed routes was presented. Costs for installation or extending the required services along with assessments were reviewed. WMU staff have contacted City staff and await a response to address the assessments for the project and to determine the responsible parties for the assessments.

Following significant discussion, it was a consensus of the Labor Committee to move forward with the process to purchase the identified site and to present an offer to MinnWest for the 12-acre property. This offer will be based on the appraised value plus MinnWest's estimated portion of the assessments (TBD).

**Recommendation:**

It was a consensus of the Labor Committee to recommend that the Commission approve and submit a purchase offer to MinnWest Technology Campus for the 12-acre site based on the appraised value of the property along with the estimated assessment costs. Furthermore, we request that the Commission authorize City Attorney Scott to prepare a purchase agreement for the purchase of the said property. The recommendation will be presented to the Commission for approval at the May 13<sup>th</sup> MUC meeting.

**2) Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Elizondo offered a motion to adjourn. Commissioner DeBlieck seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero nays at 1:00 pm.



*(Copy of letter approved, signed by MUC President Mueske, and submitted to City officials which included attachments)*

May 20, 2024  
Leslie Valiant, City Administrator  
City of Willmar  
PO Box 755  
Willmar, MN 56201

**RE: Public Hearing, Potential Sale of City Park Land Parcel #95-921-5690**

Ms. Valiant,

The City of Willmar (City) is holding a public hearing on May 20, 2024, for consideration to enter into a purchase agreement for the sale of said property. Willmar Municipal Utilities (WMU) is submitting this letter expressing concerns and requests that WMU's comments and documents be entered into public record and taken into consideration.

Willmar Municipal Utilities is expressing its urgent intention of protecting the aquifer that supplies water to the City of Willmar. Through long-term planning and agreements with the City, Willmar Municipal Utilities and the City have sought to protect the wellfields and have expended extensive resources to do so. Willmar Municipal Utilities cannot support the sale of any of the land within the parcel known as Swansson Field South, for the reasons stated in the April 8, 2024, letter from the Minnesota Department of Health:

*Excerpt: "Whereas the management of natural and water resources often tends to be reactionary, Willmar has taken an exceptionally proactive approach to its future water needs by committing resources to developing its wellfields. WMU has made a considerable investment of financial and human resources to ensure that options are in place to continue to provide high quality drinking water to the residents of Willmar. By having the foresight to plan for future wells and having identified exact locations ready for well completion when it becomes necessary, WMU has put Willmar at a tremendous advantage. MDH commends WMU's efforts, has assisted WMU financially, and will continue to provide both technical and financial assistance as needed."*

The City and WMU have unsuccessfully explored numerous options that WMU could not support that would ensure the protection of the well field. As WMU values development, it suggests that the City continue to explore other locations to accommodate the request as WMU and the City agree that protection of the wellfield is paramount.

The City and WMU have entered into joint land use agreements for the NE Wellfield, Hedin Park, and Swansson Field North of Willmar Avenue. In a May 2012 memo, the City and WMU agreed that all would follow the Swansson Field North of Willmar Avenue agreement in principle for the property identified on the south side of Willmar Avenue. In the agreement, MUC agreed to allow the Parks & Recreation Department to develop the area designated as recreational according to proposed planning. Therefore, in principle, WMU should have the ability to utilize the property as outlined in the COW/WMU 2012 Agreement for the city water supply as identified by the 2004 Test Hole Drilling Report. Eight wells have been identified within said parcel, and two of the eight wells currently provide water to the city. The remaining six wells will be developed as the community water demands increase due to growth, a wet industry, or one of the current wells is required to be abandoned. As depicted in the attachment, Proposed Well Location and Willmar Avenue Water Main Casing, there is minimal property available that could be sold for development.

Respectfully submitted,

Willmar Municipal Utilities Commission

Shawn Mueske, President

CC: Attorney Robert Scott

Mayor Doug Reese

City Engineer Jared Voge of Bolton & Menk

City Clerk

Willmar City Council

Attachments: Carlson McCain letter dated May 9, 2024 (less the outdated layout)

Minnesota Department of Health letter dated April 8, 2024

Proposed Well Location and Willmar Ave Water Main Casing

WMU/COW Agreement 2012

1988 Agreement, Shared Use Agreement Swansson Field North of Willmar Ave.