

WILLMAR MUNICIPAL UTILITIES COMMISSION

Meeting Minutes – July 8, 2024

11:45 am – WMU Auditorium

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, July 8, 2024, at 11:45 am in the WMU Auditorium with the following Commissioners present: John Kennedy, Dave Baumgart, Terrill Sieck, Patricia Elizondo, Carol Laumer, and Bruce DeBlieck. Absent was Commissioner Shawn Mueske.

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 Coordinator Mike Sangren, Executive Secretary Beth Mattheisen, 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. Due to the absence of Commission President Mueske, Commission Vice President Kennedy continued by asking if any changes to the agenda were needed. A request to adjust the sequence of the agenda items was presented. Following review and discussion, Commissioner Laumer offered a resolution to approve the consent agenda including the agenda change as presented. Commissioner Baumgart seconded.

RESOLUTION NO. 25

"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 24, 2024, MUC Meeting; and,
- ❖ Bills represented by vouchers No. 20240876 to No. 20240923 and associated wire transfers inclusive in the amount of \$1,517,521.38.

Dated this 8th day of July 2024.

Attest:


Secretary


Vice President

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

Finance & Office Services Supervisor Prekker reviewed the May 2024 Financial Reports along with a recap of the May Investment Portfolio, and the May 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.

Finance & Office Services Supervisor Prekker presented a timeline for the 2025 WMU Budget Schedule. The budget process has already begun with a tentative target date of September 16th to seek Commission approval of the 2025 Budget. A meeting of the WMU Planning Committee has been scheduled for August 21st to review the proposed budget. Following review, Commissioner DeBlieck offered a motion to accept the 2025 WMU Budget Schedule as presented. Commissioner Sieck seconded the motion which carried by a vote of six ayes and zero nays.

Staff Electrical Engineer Jeron Smith requested approval of a proposal from Braun Intertek to conduct a post-response action investigation of the area including and surrounding the former Power Plant and adjacent sites. The scope of work proposed by Braun includes Geo-Probe borings, soil gas probes, collection of groundwater samples, laboratory analysis and final comprehensive summary report and submission to MPCA. Additionally, WMU staff will collect water samples from the onsite Well D2 for testing as part of the investigation.

The estimated cost to complete the scope of work is \$38,850. It was the recommendation of City Attorney Scott that the addition of this scope of work be included into the original service contract with Braun Intertek dated March 28, 2022. Following review, Commissioner Laumer offered a resolution to approve the proposal from Braun Intertek to conduct the post-response action investigation as outlined. Commissioner Baumgart seconded.

RESOLUTION NO. 26

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Commission hereby approves the proposal from Braun Intertek to conduct the post-response action investigation as outlined, at an estimated cost of \$38,850 and to integrate the scope of work into the original contract dated March 28, 2022."

Dated this 8th day of July 2024.


Vice President

Attest:


Secretary

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

On April 18, 2013, the Willmar Municipal Utilities entered into a long-term power supply contract with the Western Area Power Administration (WAPA). The contract, known as No. 12-UGPR-1078, ensures firm electric service for Willmar from January 1, 2021, through December 31, 2050. Recently, WAPA proposed revisions to Exhibits B and C of this contract. After thorough review by WMU staff, MRES staff, and attorney Kaela Brennan, no concerns were raised. Consequently, it is recommended that Willmar approve the revisions to Exhibits B and C. Following discussion, Commissioner Baumgart offered a resolution to approve the revisions to WAPA Contract No. 12-UGPR-1078 as presented. Commissioner DeBlieck seconded.

RESOLUTION NO. 27

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Commission hereby approves the proposed revisions to Exhibits B and C of Power Supply Contract No. 12-UGPR-1078 with Western Area Power Administration as presented."

Dated this 8th day of July 2024.


Vice President

Attest:


Secretary

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

Staff Electrical Engineer Smith presented the Commission with the June 2024 Wind Turbine Report. Turbine availabilities for the month of June were 86.0% (Unit #3) and 27.9% (Unit #4) with a total monthly production of 221,383 kilowatt hours (kwh). Electrical issues continue to affect the availability of Unit #4 while Unit #3 is having an issue with the Nacelle housing of Unit #3. The 2024 total production through June is 3,143,244 kwh. To date, the 2024 costs/kwh associated with operating the units is 1.71¢/kwh. Since the inception of the units in 2009, the operational cost has been calculated at 14.31¢/kwh.

American Public Power Association (APPA) has a 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, the informational video entitled "*Board Conflict*" (Lesson #12) was presented.

General Manager Harren informed the Commission that the recent land offer for the new WMU facility has been declined. While this is a setback, we are committed to moving forward and finding a suitable location that meets our needs. Our staff will now resume the search for an alternative site. We remain dedicated to identifying a location that supports our goals and vision for the new facility. We will keep the Commission updated on our progress and any significant developments.

General Manager Harren informed the Commission that a meeting of the WMU Planning Committee has been scheduled for Wednesday, August 21st at 12:00 pm. The main focus will be to review the proposed 2025 WMU Budget. Additional 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. In addition to the Committee meetings, a joint meeting with City officials will be scheduled to discuss topics of interest concerning both entities.

Upcoming 2024 events to note:

- MMUA Summer Conference (Fargo, ND): August 19-21
- MRES Red Rock Hydroelectric Project tours (Pella, IA): July 31, August 28, or September 25
- MRES Municipal Power Leadership Academy (Sioux Falls, SD): September 18-19

There being no further business to come before the Commission, Commissioner Laumer offered a motion to adjourn. Commissioner Baumgart seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 12:34 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES



Beth Mattheisen, Executive Secretary

ATTEST:


Dave Baumgart, Secretary

