

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, September 23, 2024, at 11:45 am in the WMU Auditorium with the following Commissioners present: Shawn Mueske, John Kennedy, Dave Baumgart, Terrill Sieck, and Patricia Elizondo. Absent were Commissioner Bruce DeBlick and Carol Laumer.

Others present at the meeting were: Interim General Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Facilities & Maintenance Supervisor Kevin Marti, Staff Electrical Engineer Jeron Smith, Systems Information 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 commenced with the recitation of the Pledge of Allegiance. Commission President Mueske asked if any changes to the agenda were necessary. One item was added to provide further insight into the next steps for the General Manager search process. Following review and discussion, Commissioner Kennedy offered a resolution to approve the consent agenda, including the added item. Commissioner Baumgart seconded.

RESOLUTION NO. 35

"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 9, 2024 MUC Meeting;
- ❖ Minutes from the September 13, 2024 Special MUC Meeting (GM interview);
- ❖ Minutes from the September 16, 2024 Negotiating Committee Mtg. (GM offer); and,
- ❖ Bills represented by vouchers No. 20241260 to No. 20241389 and associated wire transfers inclusive in the amount of \$3,054,814.62.

Dated this 23rd day of September, 2024.


President

Attest:


Secretary

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

At this point, Commissioner Elizondo (LC, Chair) reported that the Negotiating Committee met on September 20th to discuss Mr. Lemke's proposal for the General Manager position. Since Mr. Lemke has expressed a desire to maintain his presence in the Stevens Point area for the next 24 months and incorporate remote work, the Committee reached a consensus to retract the offer to him. Following discussion, Commissioner Kennedy made a motion to schedule a special MUC meeting and invite Liza Donabauer (DDA) to attend to discuss the next steps in the GM search process. Commissioner Sieck seconded, and the motion passed unanimously with five ayes and zero nays.

At 11:50 am, Commissioner Mueske announced that a public hearing to address electric rate adjustments would be conducted. Mueske 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 18, 2024. No citizens from the general public were in attendance to address the Commission. Interim General Manager Johnson provided details and data regarding the proposed electric rate

adjustments. Following discussion of the proposed resolution, Commissioner Mueske requested a motion to close the public hearing. Commissioner Sieck offered a motion to close the public hearing to consider approval of the proposed resolution. Commissioner Baumgart seconded the motion which carried by a vote of five ayes and zero nays, and the public hearing was closed at 12:00 pm.

Following further discussion, Commissioner Sieck offered a resolution to approve proposed Resolution #36 recommending that the Willmar City Council proceed with the process to implement electric rate adjustments for the years 2025-2027, effective January 1, 2025. Commissioner Baumgart seconded.

RESOLUTION NO. 36

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

Facilities & Maintenance Supervisor Marti presented the WMU Wind Turbine Program Assessment. The DeWind turbines, which were commissioned in 2009 with a projected lifespan of 20 years, have become costly to repair due to their current mechanical and technological state. Continuing the wind program is no longer financially viable. The conditions of Unit #3 and Unit #4 were reviewed, with Unit #3 experiencing structural damage and Unit #4 facing multiple system errors—neither of which are operational.

It was highlighted that as a member of the MRES Joint Action Agency, WMU is involved in various green energy projects, with about 45% of the power from the 61 MRES members (including WMU) coming from renewable sources.

Given the lack of resources, the unavailability of parts, financial concerns, and the turbines' projected end of life, the program is no longer fiscally responsible or practical to maintain. Budget considerations for decommissioning the units have been made (2025-2026). Following discussion, Commissioner Baumgart moved to take final action on the future of the wind turbines at the October 14th MUC meeting. Commissioner Sieck seconded the motion, which passed unanimously with five ayes and zero nays.

Commissioner Mueske informed the Commission that Willmar Municipal Utilities will be commemorating Public Power Week, October 6-12, along with more than 2,000 other community-owned, not-for-profit electric utilities that provide electricity in the United States. Public power puts the people of Willmar first, and Public Power Week gives us the chance to emphasize the advantages of locally owned power to our citizens and remind them of the reliable and safe services WMU provides. Commissioner Mueske recited the proposed resolution and requested approval of the resolution designating Public Power Week. Commissioner Baumgart offered a motion to approve Resolution #37 designating October 6-12, 2024, as Public Power Week. Commissioner Sieck seconded.

RESOLUTION NO. 37

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

Interim General Manager Johnson provided an update on the progress of acquiring property for the new WMU facility. Both parties have agreed on a purchase price for the selected site, and the purchase agreement is currently being prepared by the City Attorney.

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

Future meetings of both the WMU Labor and Planning Committees will be forthcoming. Tentative future Labor Committee agenda items include new building land acquisition for the new building and the MUC Self-Survey. Tentative Planning Committee agenda items include the new building, new generation, and CMMPA transmission investment.

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

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES


Beth Mattheisen, Executive Secretary

ATTEST:



Dave Baumgart, Secretary

**RESOLUTION NO. 36
RESOLUTION TO RECOMMEND WILLMAR CITY COUNCIL
IMPLEMENT ELECTRIC RATE ADJUSTMENTS EFFECTIVE JANUARY 1, 2025**

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:

YEAR: 2025

Residential Service Rate

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

	Summer	Non-Summer
Energy Charge all kWh .....	.119	.102
Fixed Cost Fee	\$12.75/mo.	\$12.75/mo.

Heat Pump Rate

The rate for heat pump service shall be as follows:

Energy Charge all kWh119	.083
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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 kWh060	.060
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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 .....	.120	.104
Fixed Cost Fee	\$18.50/mo.	\$18.50/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 .....	.120	.104
Fixed Cost Fee	\$34.25/mo.	\$34.25/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 .....	.066	.059
Demand Charge	\$16.00/kW	\$14.00/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.

Secondary Service

Energy Charge all kWh .....	.067	.060
Demand Charge	\$16.30/kW	\$14.30/kW
Fixed Cost Fee	\$40.00/mo.	\$40.00/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 .....	.065	.058
Demand Charge	\$16.00/kW	\$14.00/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.

Secondary Service

Energy Charge all kWh .....	.066	.059
Demand Charge	\$16.30/kW	\$14.30/kW
Fixed Cost Fee	\$40.00/mo.	\$40.00/mo.

Security Lighting Rate

The rate for security lighting service shall be as follows:

70 Watt LED	\$11.40/mo.
100 Watt LED	\$13.40/mo.

YEAR: 2026

Residential Service Rate

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

	Summer	Non-Summer
Energy Charge all kWh .....	.123	.104
Fixed Cost Fee	\$14.75/mo.	\$14.75/mo.

Heat Pump Rate

The rate for heat pump service shall be as follows:

Energy Charge all kWh123	.084
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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 kWh060	.060
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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 .....	.126	.107
Fixed Cost Fee	\$20.50/mo.	\$20.50/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 .....	.126	.107
Fixed Cost Fee	\$36.50/mo.	\$36.50/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 kWh063	.056
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Demand Charge	\$15.45/kW	\$17.90/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.
<u>Secondary Service</u>		
Energy Charge all kWh .....	.064	.057
Demand Charge	\$15.75/kW	\$18.25/kW
Fixed Cost Fee	\$45.00/mo.	\$45.00/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 .....	.063	.056
Demand Charge	\$18.25/kW	\$15.75/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.

Secondary Service

Energy Charge all kWh .....	.064	.057
Demand Charge	\$18.25/kW	\$15.75/kW
Fixed Cost Fee	\$45.00/mo.	\$45.00/mo.

Security Lighting Rate

The rate for security lighting service shall be as follows:

70 Watt LED	\$11.40/mo.
100 Watt LED	\$14.00/mo.

YEAR: 2027

Residential Service Rate

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

	Summer	Non-Summer
Energy Charge all kWh .....	.127	.106
Fixed Cost Fee	\$17.00/mo.	\$17.00/mo.

Heat Pump Rate

The rate for heat pump service shall be as follows:

Energy Charge all kWh127	.085
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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 kWh060	.060
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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 .....	.132	.111
Fixed Cost Fee	\$23.00/mo.	\$23.00/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 .....	.132	.111
Fixed Cost Fee	\$39.00/mo.	\$39.00/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 .....	.061	.054
Demand Charge	\$19.60/kW	\$16.65/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.

Secondary Service

Energy Charge all kWh .....	.062	.055
Demand Charge	\$20.00/kW	\$17.00/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/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 .....	.061	.054
Demand Charge	\$19.60/kW	\$16.65/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.

Secondary Service

Energy Charge all kWh .....	.062	.055
Demand Charge	\$20.00/kW	\$17.00/kW
Fixed Cost Fee	\$50.00/mo.	\$50.00/mo.

Security Lighting Rate

The rate for security lighting service shall be as follows:

70 Watt LED	\$11.40/mo.
100 Watt LED	\$14.65/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

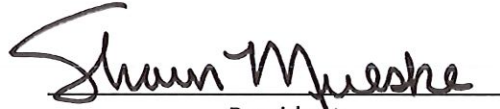
The Municipal Utilities Commission recommends that the City Council repeal Sections #1, #5, and #6 of Ordinance #1518 (adopted November 6, 2024) to the extent that it is inconsistent herewith.

Section 6. EFFECTIVE DATES

The Municipal Utilities Commission recommends that the amendment in rates be effective for billings sent on and after January 1, 2025, January 1, 2026, and January 1, 2027.


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 23rd day of September, 2024.



President

ATTEST:



Secretary

RESOLUTION NO. 37

**2024 PUBLIC POWER WEEK
IN APPRECIATION OF WILLMAR MUNICIPAL UTILITIES,
OUR HOMETOWN ELECTRIC UTILITY**

WHEREAS, we, the citizens of Willmar, place high value on local control over community services and therefore have chosen to operate a community-owned, locally controlled, not-for-profit electric utility and, as consumers and owners of our electric utility, have a direct say in utility operations and policies;

WHEREAS, Willmar Municipal Utilities provides our homes, businesses, schools, social services, and local government agencies with reliable, efficient, and cost-effective electricity employing sound business practices designed to ensure the best possible service at not-for-profit rates;

WHEREAS, Willmar Municipal Utilities is a valuable community asset that contributes to the well-being of local citizens through energy efficiency, customer service, environmental protection, economic development, and safety awareness;

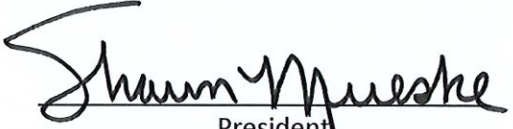
WHEREAS, Willmar Municipal Utilities is a dependable and trustworthy institution whose local operation provides many consumer protections and continues to make our community a better place to live and work, and contributes to protecting the global environment;

NOW, THEREFORE BE IT RESOLVED: that Willmar Municipal Utilities will continue to work to bring low-cost, safe, reliable electricity to community homes and businesses just as it has since 1891, the year when the utility was created to serve all the citizens of Willmar; and

BE IT FURTHER RESOLVED: that the week of October 6-12 be designated Public Power Week to recognize Willmar Municipal Utilities for its contributions to the community and to educate consumer-owners, policy makers, and employees on the benefits of public power;

BE IT FURTHER RESOLVED: that our community joins hands with more than 2,000 other public power systems in the United States in this celebration of public power, which is best for consumers, business, the community, and the nation.

Dated this 23rd day of September, 2024.


President

ATTEST:


Secretary

