

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
JUNE 12, 2017

The Municipal Utilities Commission met in its regular meeting on Monday, June 12, 2017 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Nathan Weber, Abdirizak Mahboub and Ross Magnuson. Absent were Commissioners Dan Holtz and Bruce DeBlicek.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Power Plant Supervisor Jon Folkedahl, Line Department Supervisor Todd Graves, Administrative Secretary Beth Mattheisen, Power Resources Analyst Michelle Marotzke, Water & Heating Supervisor Joel Braegelman, Energy Services/Marketing Rep Mary Kosbab, City Attorney Robert Scott (via teleconference), and WC Tribune Journalist Shelby Lindrud.

Commission President Laumer opened the meeting by requested the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Mattern offered a resolution to approve the Consent Agenda as presented. Commissioner Weber seconded.

RESOLUTION NO. 19

“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 May 22, 2017 Commission meeting; and,
- ❖ Bills represented by vouchers No. 170876 to No. 170968 and associated wire transfers inclusive in the amount of \$936,489.41.

Dated this 12th day of June, 2017.

President

Attest:

Secretary

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

Commissioner Laumer (Committee Chair) reviewed with the Commission the minutes from the May 30th MUC Labor Committee meeting (see attached). The topic of discussion focused on personnel issues related to the discontinuation of the District Heating System (effective July 1, 2020). Under the directive of the Committee, staff was asked to compile additional research and to bring this information to the next Labor Committee meeting for review. Following review and discussion, Commissioner Laumer offered a motion to approve the minutes from the May 30th MUC Labor Committee meeting as presented. Commissioner Magnuson seconded the motion which carried by a vote of five ayes and zero nays.

General Manager Harren along with Line Department Supervisor Graves and Power Production Supervisor Folkedahl presented the Commission with a recap of the damage sustained from the powerful storm early Sunday morning (June 11th, at approximately 7:00 a.m.) Graves stated that 10

power poles in the Voss Park/Ridgewater College area (County Road 5 & 15th Ave.) were toppled causing power outages in the area. By rerouting power, restoration of power to the majority of customers was completed by 8:50 a.m. Sunday morning. (Power was fully restored to all customers by 10:00 p.m., Sunday night.) Replacement of the effected poles would be completed today (Monday). Folkedahl further informed the Commission that lightning had struck the Power Plant at 7:03 a.m., taking down the control panel for Boiler #3. Subsequently, Boiler #3 had to be shut down. Following procedural operations and additional inspections, the Power Plant is scheduled to be back online the morning of June 13th (Tuesday). Along with the lightning strike, minor damage was caused to windows (broken) and temporary flooding of the coal pile located near the Plant. Following the briefings by staff, Commissioner Laumer expressed the Commission's appreciation for the speedy and safe restoration of services conducted by the employees during these emergency situations.

At this time, utility-related reports were presented to the Commission for review and discussion. These reports and analyses included:

1. March and April 2017 Financial Reports (Director of Finance Runge)
2. April 2017 Power Supply Report (Power Resources Analyst Marotzke)

General Manager Harren informed the Commission that the annual Public Power Week has been set for October 1-7. This week provides an opportunity for public power utilities to remind customers about the advantages that public power offers. Coinciding with Public Power Week, the WMU will also host their annual customer appreciation Open House on October 3rd. It was further noted, that additional events to commemorate the week may also be conducted. Following discussion, Commissioner Mahboub offered a resolution designating October 1-7, 2017 as the 31st Annual Public Power Week with an Open House to be held on Tuesday, October 3rd from 4:00-6:30 p.m. at the Willmar Civic Center. Commissioner Mattern seconded.

RESOLUTION NO. 20

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

Power Production Supervisor Folkedahl presented the Commission with the 2017 Power Production Update and Annual Overhaul Report. Included in the report were production data for the Power Plant, diesel generators, wind turbine generators, along with an overview of capital projects related to the Plant. Folkedahl continued by recapping the annual overhaul recently conducted at the Plant. The overhaul was conducted from April 10 to May 25. The findings and repairs conducted during the overhaul went very well, and the status of the facility was determined to be in good operational condition.

General Manager Harren informed the Commission that he and Commissioner Laumer had attended the June 5th City Council Work Session & Meeting. The two topics of discussion related to the Utility were: 1) request the City Council to set public hearings for June 19th to consider the decommissioning of the district heating system and to approve a financial assistance program for the heating customers; and, 2) request the City Council to consider waiving mechanical permit fees for the district heating customers. The Council scheduled the public hearings for June 19th as requested. As for the mechanical permit waiver request, the Council felt that waiving the fee is not warranted and would set a precedent for the City. However, if the MUC deemed it appropriate to pay the fees on behalf of the heating customers that would be at the discretion of the Commission. Following discussion, the Commission felt that paying for the permit fees would set a precedent,

and therefore concurred with the City Council's action to not be liable for paying the mechanical permit fees on behalf of the heating customers.

With the decommissioning of the district heating system, General Manager Harren informed the Commission that WMU staff is meeting with City personnel to explore employment opportunities with the City for Power Plant staff in addition to other options under consideration.

General Manager Harren informed the Commission of a correspondence recently sent to our congressional delegates regarding transmission privatization. With the recent release of the proposed federal budget, several concerns were raised which would impact electric utility costs and ultimately our customers. The main concern was the possibility that Western Area Power Administration's (WAPA) assets would be sold in 2019, and the potential impact this would have on the privatization of the transmission assets (increase in transmission costs). Letters submitted encouraged our delegates to oppose the sale of WAPA's transmission assets (thwarting potential rate increases).

General Manager Harren reminded the Commission that two MUC Planning Committee meetings have been scheduled. The first Committee meeting will be held on June 22nd (12:00 p.m.) with the topics of discussion to focus on a SCADA System update and safety training. The second Committee meeting will be held on June 30th and will be to review the preliminary design for the Water Treatment Plant (Carollo Engineer Vincent Hart will be in attendance).

For information: Upcoming meetings/events to note include:

- APPA National Conference - June 19-21, 2017 (Orlando, FL)
- MUC Planning Committee Meeting – June 22 @ 12:00 p.m.
- MUC Planning Committee Meeting – June 30 @ 12:00 p.m.
- APPA Webinar Series: Public Utility Governance & Electric Utility 101 (1:00-2:30 p.m. in the WMU Conference Room)
 - Board-Driven Performance Evaluation: Governance & Management – July 5
- MMUA Summer Conference – August 21-23 (Madden's Resort – Brainerd)
- Public Power Week – Oct. 1-7
 - Annual WMU Open House – Oct. 3rd @ Willmar Civic Center (4:30-6:00 p.m.)

There being no further business to come before the Commission, Commissioner Mahboub offered a motion to adjourn the meeting. Commissioner Magnuson seconded the motion which carried, and the meeting was adjourned at 12:29 p.m. by a vote of five ayes and zero nays.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Abdirizak Mahboub, Secretary



**WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Monday, May 30, 2017 – 12:00 p.m.**

Attendees: Commissioners Carol Laumer (Chair), Ross Magnuson, Nathan Weber, General Manager John Harren, Director of Finance Denise Runge, and Administrative Secretary Beth Mattheisen.

Committee Chair Laumer called the meeting to order at 12:00 p.m.

AGENDA ITEMS:

➤ **Discuss personnel issues related to the discontinuation of the District Heating System:**

In light of the Commission's approval to discontinue the District Heating System effective July 1, 2020 (Resolution #17, May 22, 2017), General Manager Harren informed the MUC Labor Committee that issues related to personnel effected by this operational change need to be addressed. Harren presented an overview of issues for consideration. One factor that is critical is the need for retention of qualified staff throughout the decommissioning process (district heating).

General Manager Harren informed the Committee that staff has been in contact with Labor Attorney Frank Madden to assist in providing insight to address the labor issues forthcoming. Harren provided background information focusing on possible options for consideration to assist in the transitional process. Harren has also been in contact with IBEW Rep Dan Kieffer to keep the union aware of the situation and the process required to address related issues.

Director of Finance Runge prepared four models (options) of varying configurations for discussion and consideration.

Action:

The MUC Labor Committee directed staff to do additional research and to schedule another Labor Committee meeting in the near future to review the findings.

General Manager Harren will also contact Attorney Madden to further assist in the development of the transition process.

➤ **Adjournment:**

There being no further business to come before the MUC Labor Committee, Commissioner Magnuson offered a motion to adjourn the meeting at 1:12 p.m. Commissioner Weber seconded the motion which carried by a vote of three ayes and zero nays.

RESOLUTION NO. 20

**2017 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, farms, social service, 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 lower-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 Oct. 1-7 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 October 3rd the MUC will be hosting an Open House in appreciation of its customers;

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 12th day of June, 2017.

President

ATTEST:

Secretary