

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
SEPTEMBER 25, 2017

The Municipal Utilities Commission met in its regular meeting on Monday, September 25, 2017 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Dan Holtz, Nathan Weber, and Bruce DeBlieck. Absent was Commissioner Ross Magnuson.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Water & Heating Supervisor Joel Braegelman, Power Production Supervisor Jon Folkedahl, Staff Electrical Engineer Jeron Smith, Customer Service Supervisor Stacy Stien, Facilities & Purchasing Supervisor Kevin Marti, Energy Services & Marketing Rep Mary Kosbab, Administrative Secretary Beth Mattheisen, City Councilmember Shawn Mueske, and WC Tribune Journalist Shelby Lindrud.

Commissioner Laumer (President) opened the meeting by requesting the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Holtz offered a resolution to approve the Consent Agenda as presented. Commissioner Mahboub seconded.

RESOLUTION NO. 34

“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 11, 2017 Commission meeting; and,
- ❖ Bills represented by vouchers No. 171595 to No. 171676 and associated wire transfers inclusive in the amount of \$3,056,813.78.

Dated this 25th day of September, 2017.

President

Attest:

Secretary

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

Commissioner Mattern (Chair) reviewed with the Commission the minutes from the September 19th WMU Planning Committee meeting (see attached). The main topics of discussion focused on the following: 1) proposed Scope of Work with Carollo Engineers for the Water Treatment Plant Project; 2) physical security at WMU facilities; and, 3) City Work Session recap (Sept. 18th). Following review and discussion, Commissioner Mattern offered a motion to approve the minutes of the September 19th WMU Planning Committee meeting as presented. Commissioner Holtz seconded the motion which carried by a vote of six ayes and zero nays.

In conjunction with the minutes of the Planning Committee meeting, the Commission was being asked to approve Task Order No. 3 (TO#3) with Carollo Engineers. Water & Heating Supervisor Braegelman stated that under the direction of the Planning Committee and Commission, the proposed agreement had been requested to assist in providing true-cost estimates for the Utility and its customers along with services for investigating and preparing applications for grants and loans related to the project. The contents of the agreement include: 1) costs analysis for a softening plant at both the SW & NE Water Treatment Plant sites; 2) grants and loans assistance for the conversion to biological filtration; and, 3) cost analysis for softening and treatment at the NE Plant. The total cost for TO#3 would be in the amount of \$52,713 of which \$30,000 would be for research and funding assistance. Following discussion, Commissioner Mahboub offered a resolution to approve TO#3 with Carollo Engineers to provide engineering services for the Water Treatment Project at a total cost of \$52,713. Commissioner DeBlieck seconded.

RESOLUTION NO. 35

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Task Order No. 3 (Scope of Work Agreement) between Carollo Engineers, Inc., and Willmar Municipal Utilities for the continuation of the Willmar Water Treatment Project be approved in the amount of \$52,713 (\$30,000 of which is for grant and loan assistance).”

Dated this 25th day of September, 2017.

President

ATTEST:

Secretary

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

General Manager Harren presented the Commission with a CapX2020 project update. CapX2020 was established as a means of ensuring reliable electricity in Minnesota and the surrounding region for the future. The project which consists of the state’s largest transmission owners (municipals, coops, and investor-owned utilities) was established to assess the system and project future electrical demands through 2020. Major upgrades and expansions to the transmission system were required to accommodate the increase in demand. Harren stated that WMU invested a total of \$540,000 in the project in 2012. To date, dividends received from the transmission investment total \$273,000.

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

1. July 2017 Financial Reports (Director of Finance Runge)
2. August 2017 Wind Turbine Report (Power Production Supervisor Folkedahl)

Note: Due to a hydraulic system issue, WTG #4 was out of commission. Also to note, WTG #3 experienced a software malfunction (but remained online). Both units are back in service and operational. The semi-annual maintenance will be conducted in October on both units.

Power Plant Supervisor Folkedahl presented the Commission with a brief background and status update of the Power Plant Storm Water Improvement Project. Due to past MPCA requirements, this project was created to reduce total suspended solids (TSS) and to improve the storm water discharge quality. (Wenck Associates provided the consulting services for the project.) Folkedahl informed the Commission that due to the reduction of coal usage at the Power Plant, this project is no longer required (per MPCA). However, a fence along 7th Street SW which was part of the project has been erected for safety concerns.

Per WMU policy, consultant services exceeding \$5,000 not approved at the beginning of the year require MUC approval. Therefore, Staff Electrical Engineer Smith was requesting the Commission to consider approval of a consulting service contract to provide geotechnical services for the Priam Substation. Following evaluation by the project engineering firm (DGR Engineering), it was the recommendation of Staff to concur with DGR that the proposal for geotechnical services for the Priam Substation be awarded to American Engineering Testing, Inc., for the contract price of \$9,400. Following discussion, Commissioner Mattern offered a resolution to approve the agreement with AET to provide geotechnical services for the Priam Substation Project in the amount of \$9,400. Commission DeBlieck seconded.

RESOLUTION NO. 36

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the agreement with American Engineering Testing, Inc. of Saint Paul, Minnesota, to provide geotechnical services for the new Priam Substation Project be approved in the amount of \$9,400.”

Dated this 25th day of September, 2017.

President

Attest:

Secretary

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

Facilities & Purchasing Supervisor Marti informed the Commission that staff had been approached by a local realtor that property adjacent to current WMU property may be coming up for sale in the near future. It was Staff's recommendation and the consensus of the Commission to have the Planning Committee further address this matter at their next Committee meeting.

General Manager Harren briefly recapped for the Commission a joint-meeting held between WMU and City staff on September 11th. The meeting was a continuation of a previous meeting (July 20th) which was conducted to discuss issues of mutual interest by both parties.

General Manager Harren informed the Commission that a joint-meeting of the Commission, City Council and staff members will be held on Tuesday, October 31st beginning at 12:00 p.m. The meeting will be a continuation of recent meetings held to collaborate on issues and concerns related to both entities. Agenda items will include: 1) Intergovernmental Transfer; 2) rate adjustments; and, 3) capital improvement projects and the costs associated with them.

For information: Upcoming meetings/events to note include:

- Public Power Week – Oct. 1-7
 - Annual WMU Open House – Oct. 3rd @ Willmar Civic Center (4:00-6:30 p.m.)
- Joint Commission/City Council meeting – Oct. 31st @ 12:00 p.m. (Kandiyohi Co. Health & Human Services Bldg., Room #0030)

There being no further business to come before the Commission, Commissioner Laumer declared the meeting adjourned at 12:32 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
WMU PLANNING COMMITTEE MEETING MINUTES
Tuesday, September 19, 2017 - 11:00 a.m.
WMU Conference Room

Present: Commissioners Justin Mattern, Abdirizak Mahboub & Bruce DeBlieck, General Manager John Harren, Director of Finance Denise Runge, Water & Heating Supervisor Joel Braegelman, Vincent (Vinnie) Hart of Carollo Engineers (via teleconference), Staff Electrical Engineer Jeron Smith, and Administrative Secretary Beth Mattheisen.

Commissioner Mattern (Chair) called the meeting to order at 11:00 a.m.

AGENDA ITEM(S):

➤ **Agenda Item Addition:**

General Manager Harren requested to include an additional item to the agenda. The request was approved and a recap of the September 18th City Council Work Session was added to the agenda.

➤ **Review of Water Treatment Plant Project - Scope of Work:**

General Manager Harren presented a brief recap of the Water Treatment Plant project. Carollo Engineers provided an updated outline for the scope of work related to the tasks and costs associated with proposed process options for consideration. These options include enhance softening of both the NE and SW Water Treatment Plants as well as to use only one softening plant (NE Plant).

Water & Heating Supervisor Braegelman indicated that it would be beneficial to have Carollo provide additional cost analysis for both softening processes and to include the operations & maintenance costs to provide a true customer-cost estimate.

Carollo Engineer Hart reviewed with the Committee Task Order #3 and the actual costs associated with the scope of work required to attain the desired results (reduction in magnesium and calcium). Among the challenges faced are related to the levels of ammonia, alkaline, manganese, calcium and sodium chloride/salty discharge. Options were reviewed. Hart stated that if we were to proceed with the softening option with the biological filters, these filters would still be necessary for ammonia removal.

Potential future costs and analyses to address salty discharge will be included in the study. Vinnie noted that as we analyze the total costs projected for the future, both processes would achieve the softening requirements.

Exhibit A which provides a breakdown of proposed engineering costs was reviewed. The breakdown included labor costs associated with the completion of the scope of work and grant/funding research costs. The total engineering costs would be \$52,713 which includes a not to exceed amount of \$30,000 to provide funding research and assistance with grants and loans.

Timeline to conduct the additional study is estimated to be completed within 3 months after the notice-to-proceed has been given.

Water/Heating Supervisor Braegelman informed the Committee that he had recently attended a conference of the MN AWWA and reported that there was a shift on discussion related to salty discharge. New administration in DC has a significant effect on current standards/requirements, but this has the potential to change at any time in the future. It was further noted that components in this additional study include the effects on salty discharge.

To move forward with the Water Treatment Project, we need to identify the costs associated with the various processes in order to determine the next steps to take. Despite the current legislative (EPA) standing, it will need to be determined.

Hart further stated that the cost of the softening process will always be an issue to, and it is best to proceed with the steps to achieve long-term knowledge of the chloride limits.

The Committee requested data regarding how much the different process options will actually cost homeowners. Hart confirmed he will provide the requested data including life-cycle costs (current costs, costs for conducting softening by the City, and costs for individual customer softening).

Braegelman informed the Committee that the City is also currently having Donahue Engineering further investigate the water treatment options. Hart advised that a meeting with Donahue associates would be beneficial to discuss costs associated with the project and to confirm that all parties are in agreement and to ensure that the process coincides.

Recommendations & Conclusion:

Following review and discussion, it was the consensus of the Planning Committee to recommend approval of Task Order #3 which includes: 1) cost analysis for a softening plant at both the SW & NE sites; 2) assistance with grants & loans for the conversion to biological filtration; and, 3) cost analysis for softening and treatment at the NE Plant. Total estimated cost for Task Order #3 would be \$52,713 (\$30,000 is for research and funding assistance).

The Commission will be asked to approve the agreement with Carollo at the Sept. 25th MUC meeting. (Note: An updated Scope of Work will be provided prior to the Sept. 25th meeting.)

Staff Electrical Engineer Smith entered the meeting at 11:33 am.

➤ **Facilities Security**

The Planning Committee requested staff to provide a status update of security at WMU's various facility sites. Water & Heating Supervisor Braegelman presented an overview of the water system/facilities security. Staff Electrical Engineer Smith continued by presenting an overview of the security provided for WMU's electrical facilities. Following review and discussion, the Planning Committee directed Staff to seek proposals in an effort to upgrade the security at WMU facilities.

➤ **Update of City Council Work Session:**

General Manager Harren and Commissioner Laumer attended the City Council's Work Session on September 18th. The presentation and discussions included the following: 1) 2018 WMU Budget Review; 2) rate adjustments; 3) Interdepartmental Transfer; and, 4) Water main replacement funding. Harren also informed the Council that if additional collaboration is preferred, the Commission has offered to host a joint Commission/Council meeting.

Following discussion, the Council asked that a joint work session between the two governing boards (MUC/City Council) to address issues related to both entities (session would be approx. 2 hrs.). One point in question was the budgeting for a new office facility. As requested, data related to the facility funding was sent to City Administrator Holland on Sept. 19th for distribution to City Council members.

➤ **Adjournment:**

There being no further discussion to come before the WMU Planning Committee, Commissioner Mattern declared the meeting adjourned at 11:53 a.m.