

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
MARCH 12, 2018

The Municipal Utilities Commission met in its regular meeting on Monday, March 12, 2018 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Nathan Weber, Bruce DeBlicek, Ross Magnuson and Brendan MacDonald.

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, Staff Electrical Engineer Jeron Smith, Water & Heating Supervisor Joel Braegelman, Compliance Officer/HR Administrator Janell Johnson, Information System Admin Mike Sangren, Energy Services Rep Mary Kosbab, Power Plant Foreman Brian Hoover, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott, and Attorney Susan Hansen (via teleconference).

Commission President Laumer opened the meeting by asking if there were any revisions needed to the presented agenda. There being no amendments to the agenda, Commissioner Laumer continued by requesting the Commission to offer a resolution to approve the Consent Agenda. Commissioner DeBlicek offered a resolution to approve the Consent Agenda as presented. Commissioner Weber seconded.

RESOLUTION NO. 12

“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 February 23, 2018 Commission meeting; and,
- ❖ Bills represented by vouchers No. 180367 to No. 180426 and associated wire transfers inclusive in the amount of \$143,474.19.

Dated this 12th day of March, 2018.

President

Attest:

Secretary

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

At this time, Commissioner Laumer stated that in accordance with applicable State law, a closed attorney-client privileged meeting for discussion of a pending legal matter involving an employment situation had been called. Due to the attorney-client privilege, this portion of the meeting will be closed pursuant to Minnesota Statute, Section 13D.05, subd. 3(b) under the attorney/client privilege exception to the Minnesota Open Meeting Law. (Note: A notice had been posted as a requirement of the previously stated statute.) Commissioner Laumer offered a motion to close the meeting at this time. Commissioner Mattern seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was closed at 11:48 a.m. Attending the closed portion of the MUC meeting were: Commissioners Laumer, Mattern, Mahboub, Weber, DeBlicek, Magnuson & MacDonald, General Manager Harren, Director of Finance Runge, Compliance

Officer/HR Administrator Johnson, Administrative Secretary Mattheisen, City Attorney Scott, and Attorney Susan Hansen of Madden Galanter Hansen, LLP, via teleconference.

At 12:19 p.m., Commissioner Laumer declared the meeting to be reopened and resumed business as usual.

Commissioner Weber (LC Chair) along with General Manager Harren reviewed with the Commission minutes from the February 12th and February 23rd WMU Labor Committee meetings (see attached). It was noted that designations for the Chair and Vice Chair Committee positions were established. Commissioner Weber will serve as Chair with Commissioner Magnuson serving as Vice Chair for the Labor Committee for 2018. Topics of discussion at the meetings included: personnel issues; proposed wage & job descriptions adjustments; and, metering responsibilities. Following review and discussion, Commissioner Weber offered a motion to approve the minutes of the February 12th and February 23rd WMU Labor Committee meetings as presented. Commissioner Mahboub seconded the motion which carried by a vote of seven ayes and zero nays.

Director of Finance Runge presented the Commission with three financial topics for review and discussion. The first subject to be presented was the December 2017 Financial Reports which included analyses of the Electric Division, Water Division, Heating Division, and Total Combined (all divisions). Data contained in the reports were for operating revenues & expenses, operating income, and retained earnings.

Director of Finance Runge continued by requesting the Commission to approve WMU's official depository (annual recommendation). Following discussion, Commissioner Mattern offered a motion to approve US Bank as the official depository for the Willmar Municipal Utilities. Commissioner Mahboub seconded the motion which carried by a vote of six ayes and zero nays, with Commissioner Magnuson abstaining.

Director of Finance Runge next presented the Commission with the proposed 2018 WMU Fund/Account Balances for consideration (see below). Runge requested the Commission to approve the March 1, 2018 fund allocations incorporating the following proposed revisions: 1) increase the Water Treatment Plant Reserve Fund by \$500,000; 2) increase the Transmission Construction Fund by \$250,000; and, 3) add the Water Capital Reserve Fund in the amount of \$500,000. Following discussion, Commissioner Mattern offered a motion to approve and accept the 2018 Fund/Account Balances as presented. Commissioner DeBlieck seconded the motion which carried by a vote of seven ayes and zero nays.

FUND/ACCOUNT	3/1/2018	12/31/2017
Funds Required by Bond Covenants:		
1a. Operating Reserve	\$2,400,000	\$2,400,000
2a. Parity Revenue Bond Sinking Fund	\$ 404,547	\$ 404,547
2b. Subordinate GO Bond Sinking Fund	\$	\$
3. Bond and Interest Reserve Account	\$ 887,481	\$ 887,481
4. Utilities Improvement & Replacement Fund	\$1,700,000	\$1,700,000
Funds designated by Municipal Utilities Commission:		
1b. Unallocated Operating Reserve	\$5,010,037	\$8,510,037
5. Customer Deposit Fund	\$ 275,000	\$ 275,000
6. Expansion Reserve Fund	\$1,050,000	\$1,050,000
7. Catastrophic Reserve Fund	\$2,000,000	\$2,000,000
8. Water Treatment Plant Reserve Fund	\$1,500,000	\$1,000,000
9. Transmission Construction Fund	\$5,000,000	\$2,500,000
10. Generation Construction Fund	\$4,000,000	\$4,000,000
11. Water Capital Reserve Fund	\$ 500,000	
TOTAL	\$24,727,065	\$24,727,065

Staff Electrical Engineer Smith presented the Commission with two bid award recommendations for 2018 underground construction. The construction contracts are for: 1) Underground Electrical Construction; and, 2) Northside Replacement Construction. Two bids for each project were received and opened on March 2, 2018. Following evaluation of the submitted bids, it was the recommendation of Staff to award the bids as follows:

- 1) 2018 Underground Electrical Construction: Award to O & S Construction for their estimated total bid of \$216,827.50; and,
- 2) 2018 Northside Replacement Construction: Award to Midwest Underground for their estimated total bid of \$109,675.00.

Following review and discussion, Commissioner Mahboub offered a resolution to approve the bid award for the 2018 Underground Electrical Construction to O & S Construction for their estimated bid of \$216,827.50. Commissioner Mattern seconded.

RESOLUTION NO. 13

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the contract for the 2018 Underground Electrical Construction be awarded to O & S Construction of Bird Island, Minnesota, in the total estimated amount of \$216,827.50.”

Dated this 12th day of March, 2018.

President

Attest:

Secretary

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

Commissioner DeBlieck continued by offering a resolution to approve the 2018 Northside Replacement Construction to Midwest Underground of Willmar, Minnesota, in the total estimated amount of \$109,675.00. Commissioner Magnuson seconded.

RESOLUTION NO. 14

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the contract for the 2018 Northside Replacement Construction be awarded to Midwest Underground of Willmar, Minnesota, in the total estimated amount of \$109,675.00.”

Dated this 12th day of March, 2018.

President

Attest:

Secretary

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

In an effort to keep the Commission well-informed of departmental developments, projects and updates, Staff members presented the following educational topics for review and discussion:

- 1) 2017 Energy Services & Marketing Update (Energy Services Rep Kosbab)
 - a. Marketing in Review
 - b. Public Presence (i.e. Facebook, website, advertising)
 - c. Energy Services (i.e. rebates, miscellaneous programs, future direction)
- 2) Customer Service Update (Customer Service Supervisor Stien)
 - a. 2017 Metering & Customer Service Year-End Review
 - b. Five-Year History Consumption Totals

Staff Electrical Engineer Smith presented the Commission with the February 2018 Wind Turbine Report for review and discussion.

Commissioners Laumer & Mahboub and General Manager Harren recapped for the Commission their recent attendance at the 2018 APPA Legislative Rally held in Washington, DC, and reiterated the importance of attending these national (and state-sponsored) events which offer the opportunity to exchange ideas and express concerns related to various issues facing Willmar and the utility industry. Key discussions focused on: 1) infrastructure needs; 2) pole attachment policies; 3) WAPA (power supply & transmission); and, 4) tax and budget issues (i.e. maintaining tax exempt status on bonds). In conjunction with the annual rally, Commissioner Laumer also attended a meeting of the APPA Policy Makers Council which she serves on. Laumer will provide Commissioners with a recap of the seven resolutions focused on during the event. Laumer, Mahboub and Harren concluded by expressing their appreciation to the Commission for allowing them the opportunity to attend the informative event and encouraged others to attend in the future.

General Manager Harren informed the Commission that scheduling of both the WMU Labor and Planning Committee meetings will be forthcoming. Labor Committee agenda items will include: Commissioner 101; review roles & responsibilities of MUC and management staff; and, MUC Self-Evaluations. Planning Committee agenda items will include: EAA; WMU/City MOA; and, new gas contract.

For information: 2018 Upcoming meetings/events to note include:

- MMUA Legislative Conference – April 3-4 (St. Paul)
- MRES Annual Meeting – May 9 (Sioux Falls)
- APPA National Conference – June 15-20 (New Orleans, LA)

There being no further business to come before the Commission, Commissioner Laumer declared the meeting adjourned at 1:12 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Monday, February 12, 2018
12:30 p.m. (est.)

Attendees: Commissioners Nathan Weber, Ross Magnuson & Abdirizak Mahboub, General Manager John Harren, Director of Finance Denise Runge, Compliance Officer/HR Administrator Janell Johnson and Administrative Secretary Beth Mattheisen.

Commissioner Weber called the meeting to order at 12:46 p.m.

AGENDA ITEMS:

➤ **Designate Chair & Vice Chair for 2018:**

Commissioner Weber opened the meeting by requesting designation for the WMU Labor Committee Chair and Vice Chair positions for 2018. Commissioner Magnuson offered a motion to nominate Commissioner Weber to serve as Chair. Commissioner Mahboub seconded. Commissioner Mahboub next offered a motion to nominate Commissioner Magnuson to serve as Vice Chair. Commissioner Weber seconded the motion. Both motions were carried by a vote of three ayes and zero nays.

➤ **Personnel issues update:**

General Manager Harren updated the Labor Committee on current personnel issues. At this time, the matters remain confidential based on the Minnesota Government Data Practices Act (MGDPA). Findings were reviewed and a process to proceed was developed and agreed upon.

Commissioner Mahboub departed the meeting at 1:30 p.m.

➤ **Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Weber offered a motion to adjourn the meeting. Commissioner Magnuson seconded the motion which carried by a vote of two ayes and zero nays, and the meeting was adjourned at 1:45 p.m.



WILLMAR MUNICIPAL UTILITIES
MUC Labor Committee Meeting Minutes
Friday, February 23, 2018
11:00 a.m.

Attendees: Commissioners Nathan Weber, Ross Magnuson & Abdirizak Mahboub, General Manager John Harren, Director of Finance Denise Runge, Compliance Officer/HR Administrator Janell Johnson and Administrative Secretary Beth Mattheisen.

Commissioner Weber called the meeting to order at 11:04 a.m.

AGENDA ITEMS:

1) Proposed Facilities & Purchasing Dept. job descriptions & wage adjustments reflecting added responsibilities:

General Manager Harren opened discussion with the Committee regarding position adjustments being made to the Facilities & Purchasing (F&P) Department. Due to additional job responsibilities, consideration to increase the department from two to a three-person department was requested. Newly revised job descriptions were reviewed along with the 2018-2020 Union Contract including a proposed wage scale. While a formal MOA between WMU and IBEW would be required to complete the job description modifications and wage adjustments, the rewritten job descriptions have received approval by union reps. With the addition of a third person to the F&P Dept., the position titles for the F&P Dept. would be:

- a. Lead Facilities & Maintenance Technician (new)
- b. Facilities & Maintenance Technician (new)
- c. Utility Worker

Following review and discussion, Commissioner Weber offered a motion to concur with the proposed job descriptions and wage adjustments as presented and to recommend approval by the MUC to proceed. Commissioner Magnuson seconded the motion which carried by a vote of three ayes and zero nays.

2) Line Department request for 10¢ adjustment for added metering responsibilities:

General Manager Harren provided the Committee with background information along with job descriptions reflecting proposed revisions to Line Department positions (2). The modifications would reflect the addition of metering responsibilities (installs, monitoring & maintenance) to the department's personnel. (Harren also noted that the Line Dept. currently has an open position.) The revised job descriptions for both the Line Technician and Line Technician-In-Charge would be modified to include the added metering responsibilities (serving as backup upon retirements in the meter department). It was noted that at this time, the proposed responsibilities would remain in the meter department. However upon future developments in the Meter Dept. (i.e. retirements), these adjustments may be required. IBEW Local Union #160 requested that a 10¢/hour increase in wages be included for the additional responsibilities.

Following discussion, it was the consensus of the Labor Committee to acknowledge the requested 10¢/hour presented by the Line Dept. and to take it under advisement when the retirements in the meter department occur

3) Power Plant update:

General Manager Harren presented the Labor Committee with a status update of current issues pertaining to the Power Plant. This was for information only.

4) Adjournment:

There being no further business to come before the WMU Labor Committee, Commissioner Weber offered a motion to adjourn the meeting. Commissioner Mahboub seconded the motion which carried by a vote of three ayes and zero nays, and the meeting was adjourned at 11:35 a.m.