

WILLMAR MUNICIPAL UTILITIES COMMISSION
MEETING MINUTES OF JULY 13, 2020

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting via Zoom (teleconference service) on Monday, July 13, 2020 at 11:45 a.m. with the following Commissioners present: Justin Mattern, Carol Laumer (joining at 11:54 a.m.), Abdirizak Mahboub, Nathan Weber, Bruce DeBlieck, Ross Magnuson and Cole Erickson.

Others present at the meeting were: General Manager John Harren, Facilities & Maintenance Supervisor Kevin Marti, Compliance/HR Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Staff Electrical Engineer Jeron Smith, Energy Services/Marketing Rep Michelle Marotzke, IS Coordinator Mike Sangren, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott, City Councilman Shawn Mueske, and WC Tribune Journalist Shelby Lindrud.

Commission President Mattern opened the meeting by presenting a statement prepared by City Attorney Scott regarding the current COVID-19 health pandemic, the peacetime emergency declared by Governor Walz pursuant to MN Statutes, Chapter 12, and the need to conduct our current meetings by telephone or other electronics pursuant to MN Statutes § 13D.021, until such time it is no longer impractical or imprudent for the Commission to resume in-person meetings. As a matter of procedure, let the minutes reflect that all resolutions and motions were conducted by verbal roll call.

Commissioner Mattern continued by asking if any revisions were needed to the agenda presented. There being none, Commissioner Mattern requested a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Mahboub offered a resolution to approve the Consent Agenda as presented. Commissioner Weber seconded.

RESOLUTION NO. 21

“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 22, 2020 Commission meeting; and,
- ❖ Bills represented by vouchers No. 20200902 to No. 20201011 and associated wire transfers inclusive in the amount of \$431,445.95.

Dated this 13th day of July, 2020.

President

Attest:

Secretary

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

General Manager Harren presented the Commission with the May 2020 Financial Reports. The data presented included analyses of the Electric, Water, Heating and Combined Divisions. Information contained in the reports reflect operating revenues & expenses, operating income, and retained

earnings. Harren noted that also included with the financial data were graphs depicting the 2019/2020 monthly year-to-date revenues, expenses, and retained earnings.

General Manager Harren, Energy Services/Marketing Rep Marotzke and Staff Electrical Engineer Smith presented the Commission with an update of the financial impact the COVID-19 pandemic has had on our utility to date. The information provided contained a high-level overview of the commodity sales/revenues as it correlates to the current pandemic. The data was originally presented to the Commission at their April 13th meeting and again on May 26th. Among the data presented were: 1) late charges incurred from mid-February thru mid-May; 2) past due history (both electric & water); 3) effect of COVID-19 on electric load (demand); 4) kWh sales (electric); 5) revenue data for both electric & water; 6) YTD water sales comparisons (Feb-May 2019 vs 2020); 7) potential financial losses to date; and, 8) budgeted amounts differed by delaying specific projects. Potential revenue losses are estimated at \$3.025 million (projections consist of disconnect fees, late fees, bankruptcies, and reduced sales). The cost reduction of projects delayed (both Capital and O&M) is estimated at \$2.45 million. The difference of the loss in revenue versus delayed project costs would be made from the Catastrophic Fund Balance. It was noted that if the financial impact remains stable, there is the potential to move forward with a number of currently delayed projects (i.e. critical cable replacements). Staff will continue to monitor the situation and provide updates to the Commission as required.

Finance & Office Services Supervisor Prekker reviewed with the Commission the process schedule for the 2021 WMU Budget. Prekker stated that the WMU Planning Committee will be presented the preliminary budget for review in late August (tentatively). Final approval by the Commission will be requested at the September 14th MUC meeting. Following MUC approval, the 2021 WMU Budget will be presented to the City Council for approval (TBD).

Staff Electrical Engineer Smith presented the Commission with a transmission investment update. The transmission project of note is in conjunction with Otter Tail Power, Xcel, WMU and MRES to resolve long-term transmission concerns in the Benson area. Participation in the project required several Willmar-area improvements to be completed. A brief status update was provided of the Willmar and Priam Substation Projects (improvements). Smith further stated that the targeted in-service date for the project completion is spring 2022.

General Manager Harren requested the Commission to approve the Third Amendment to the Site Lease Agreement between WMU and AT&T/New Cingular Wireless PCS, LLC ("Tenant"). The original agreement which was entered into November 16, 2001 provided for AT&T to obtain the site lease on the Willmar Avenue Water Tower to mount antenna equipment. The Third Amendment to the agreement permits the construction of a mounting rail on the top of the water tower for additional antenna equipment. The cost of the mounting rail is the full responsibility of the Tenant. The annual rent for the lease agreement will increase to \$42,000/yr. Following review and discussion, Commissioner DeBlieck offered a resolution to approve the Third Amendment to the Site Lease Agreement with AT&T/New Cingular Wireless as presented. Commissioner Laumer seconded.

RESOLUTION NO. 22

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Third Amendment to the Site Lease Agreement by and between Willmar Municipal Utilities and New Cingular Wireless PCS, LLC ("Tenant"), allowing the Tenant to relocate antenna equipment to a higher elevation on the Willmar Avenue Water Tower (900 Willmar Ave. SW) through construction of an additional mounting rail be approved as presented. The construction would be at the total expense of the Tenant and the annual lease rate would increase to \$42,000/year."

Dated this 13th day of July, 2020.

President

Attest:

Secretary

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

Facilities & Maintenance Supervisor Marti provided the Commission with an update of current repairs being conducted on Wind Turbine #3. On July 6th, Renew Energy (contractors) began blade repairs on the turbine. Repairs are expected to take approximately 4-5 days per blade. Once the blade repairs have been completed, WMU Maintenance staff will repair damage to the blade hub housing brackets and lightening protection. Weather permitting, Turbine #3 should be operational by the end of July. Turbine #4 remains available for production.

Facilities & Maintenance Supervisor Marti provided a status update of the decommissioning of the Power Plant. The rental boiler has been removed and is currently in route to Kentucky. While the facility has been secured, salvaging of equipment and parts will now proceed. Wenck Engineering is conducting the environmental studies and has compiled data, and anticipate completion of the report in August. Commissioner Mattern stated that while our utility has reached the end of an era, we are thankful to WMU staff for bringing this lengthy project to a final resolution. On behalf of the Commission, best wishes to all the WMU employees involved in the process.

General Manager Harren informed the Commission of the need to revise the current listing of signatories for WMU's official financial transactions. At this time, Harren requested the addition of Andrea Prekker to the current listing of signatories for WMU. Following discussion, Commissioner Laumer offered a resolution to approve the inclusion of Finance & Office Services Supervisor Andrea Prekker to join General Manager John Harren and Compliance/HR Manager Janell Johnson as official signatories of the Willmar Municipal Utilities effective immediately. Commissioner Mahboub seconded.

RESOLUTION NO. 23

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that Finance & Office Services Supervisor Andrea Prekker be designated as an official signatory (joining General Manager John Harren and Compliance HR Manager Janell Johnson) for all matters of financial concerns as a signatory effective immediately."

Dated this 13th day of July, 2020.

President

Attest:

Secretary

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

General Manager Harren informed the Commission that meetings of both the WMU Labor and Planning Committees would be forthcoming (TBD). Tentative Labor Committee agenda item would include labor negotiations. Tentative Planning Committee agenda item(s) will include: update of commodity sales/revenues; delayed CIP/O&M projects; Willmar/Priam Ownership & Construction Agreement; and, Power Plant Substation Control Building.

For information: 2020 Upcoming meetings/events to note include:

- MMUA Annual Summer Conference: August 24-26 ("virtual event")

There being no further business to come before the Commission, Commissioner Mahboub offered a motion to adjourn. Commissioner DeBlieck seconded the motion which carried by a vote of seven ayes and zero nays, and the meeting was adjourned at 12:32 p.m.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Abdirizak Mahboub, Secretary