

WATER AND LIGHT COMMISSION MINUTES REGULAR MEETING FEBRUARY 16, 2021

The regular meeting of the Water and Light Commission was called to order in the Worthington Public Utilities Conference Room at 3:00 P.M. by President Debra Weg with the following members present: Michael Harmon, Kathy Hayenga, Chad Nixon and Randy Thompson.

Staff members present were Scott Hain, General Manager and Patrick Demuth, Electric Superintendent

Others present: None

AGENDA ADDITIONS/CLOSURE

A motion was made by Commissioner Harmon, seconded by Commissioner Hayenga and unanimously carried to close the agenda as presented.

CONSENT AGENDA APPROVED

A motion was made by Commissioner Nixon, seconded by Commissioner Thompson and unanimously carried to approve the consent agenda as follows:

- Water and Light Commission minutes of the regular meeting held on January 19, 2021
- Staff reports for January 2021
- Utility bills payable totaling \$431,824.52 for January 22, January 29, February 5 and February 12, 2021

FINANCIAL STATEMENTS AND SALES REPORTS

A motion was made by Commissioner Hayenga, seconded by Commissioner Nixon and unanimously carried to accept the sales reports for January 2021.

ELECTRIC DEPARTMENT UPDATE

Patrick Demuth, Electric Superintendent, provided a verbal update on the Electric Department to the Commission members. Mr. Demuth discussed current and future staffing, facilities, technology improvements, service territory issues, projects that were recently completed and future planned projects. Mr. Demuth indicated that it will be necessary to consider replacement of our two oldest substation transformers once the new "Substation #3" is in service.

2020 SAFETY, SERVICE QUALITY AND DISTRIBUTION RELIABILITY STANDARDS

Minnesota Statutes require that municipally-owned electric utilities provide an annual report to their governing body on their adopted safety, service quality and distribution reliability standards.

Staff reviewed the results of the Worthington Public Utilities 2020 Safety, Service Quality and Distribution Reliability Standards report with the Commission. Following review, a motion was made by Commissioner Harmon, seconded by Commissioner Hayenga and unanimously carried to accept the 2020 report and to retain the same SAIDI (10.00), SAIFI (0.33) and CAIDI (60.00) goals for the year 2021.

DISCUSSION ON POWER SUPPLY MIX

Scott Hain, General Manager, reviewed the Worthington-specific power supply mixture report, prepared by Missouri River Energy Services, with the Commission. According to the report, Worthington's 2019 power supply mix was 81% carbon-free, including 31% provided by renewable resources.

Mr. Hain discussed a program offered by Missouri River Energy Services where customers may choose to "green up" their power supply through the purchase of Renewable Energy Credits (REC's) from an inventory maintained by MRES. REC's represent the "environmental attributes" associated with generation from renewable resources such as wind and solar. The ability to market REC's separately from the energy produced by renewable resources serves to incentivize the development of renewable resources. One REC represents 1,000 kilowatt-hours of energy generated with a renewable resource.

Mr. Hain reported that WPU does not currently have any customers who have chosen to purchase REC's through the Missouri River program but indicated that some larger customers have begun to express some level of interest in what their current power supply mix consists of. Companies declaring a timeframe in which they would like to become "carbon-free" is trending across the country.

Mr. Hain posed the question to Commissioners as to whether WPU should utilize the Missouri River program to make all of the power that WPU provides to customers "carbon-free". Based on system-wide 2020 electric sales and the current Missouri River pricing structure, Mr. Hain indicated that the cost to do so would be approximately \$43,000.

After discussion, the Commission directed Mr. Hain to pursue utilizing the Missouri River Energy Services program to make all electricity sold to WPU's customers "carbon-free".

COMMISSION COMMITTEE REPORTS

Commissioner Thompson reported that he has attended two EDA meetings where the main topic was the proposed land swap with Cemstone to accommodate the construction of a new ready mix plant.

Commissioner Hayenga reported that she attended the virtual MMUA Legislative Conference on February 10.

Commissioner Harmon reported that he also attended the same two EDA meetings that Commissioner Thompson already reported on.

GENERAL MANAGER REPORT

Scott Hain provided brief updates on the Diagonal Shop renovation project, well levels and COVID vaccinations. Mr. Hain also indicated that the Commission meeting currently scheduled for March 15 may need to be cancelled or moved to March 22 to accommodate a conflict.

ADJOURNMENT

A motion was made by Commissioner Nixon, seconded by Commissioner Thompson and unanimously carried to adjourn the meeting at 5:09 P.M. President Weg declared the meeting adjourned.

Scott Hain
General Manager