

WATER AND LIGHT COMMISSION MINUTES

REGULAR MEETING

MARCH 1, 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; Jeremy Braaksma, Wastewater Superintendent; Deb Scheidt, Secretary to the Commission

Others present: None

AGENDA ADDITIONS/CLOSURE

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

CONSENT AGENDA APPROVED

A motion was made by Commissioner Harmon, 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 February 16, 2021
- Utility bills payable totaling \$77,591.62 for February 19 and February 26, 2021

WASTEWATER DEPARTMENT UPDATE

Jeremy Braaksma, Wastewater Superintendent, provided an update on the Wastewater Department. Mr. Braaksma's update included staffing, inflow and infiltration data, new NPDES permit, facility upgrade timeline, City of Brewster assistance and the equalization rehabilitation project.

MUNICIPAL WASTEWATER TREATMENT FACILITY IMPROVEMENTS FINANCING

Scott Hain, General Manager, provided the Commission with information on a plan for financing of the municipal wastewater treatment facility improvements. The plan would utilize the Clean Water Revolving Fund (CWRP) through the State of Minnesota and reserve funds for debt repayment of the improvements. Bolton & Menk is approximately 60% through the final design. Their updated cost estimate for the total project, including engineering and contingencies, is \$24,860,000.

The use of the proposed CWRP loan includes a fixed interest rate locked in at the beginning of the loan. Funds are drawn on an as needed basis and payments are made on funds drawn. Cash or finance decisions can also be made as needed.

A copy of the following resolution applying for an estimated loan amount of \$25,262,500 (all engineering costs plus a 5% contingency on estimated construction costs) through the CWRP was presented to the Commission.

RESOLUTION NO. _____

**A RESOLUTION APPLYING FOR A LOAN FROM THE CLEAN WATER
REVOLVING FUND FOR IMPROVEMENTS TO THE MUNICIPAL WASTEWATER
TREATMENT SYSTEM**

WHEREAS, the City of Worthington, Minnesota, is hereby applying to the Minnesota Public Facilities Authority for a loan from the Clean Water Revolving Fund for improvements to its municipal wastewater treatment system as described in the loan application.

WHEREAS, the City of Worthington, Minnesota, estimates the loan amount to be \$25,262,500 or the as-bid cost of the project.

NOW, BE IT RESOLVED, that the City of Worthington, Minnesota, has the legal authority to apply for the loan, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life.

THEREFORE, BE IT FURTHER RESOLVED, that the City of Worthington, Minnesota, hereby expresses its official intent to use proceeds of this loan to reimburse eligible expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.

Adopted by the City Council of the City of Worthington, Minnesota this 8th day of March, 2021.

(SEAL)

CITY OF WORTHINGTON

Mike Kuhle, Mayor

Mindy L. Eggers, City Clerk

Mr. Hain stated that the passing of the resolution does not constitute a commitment by the City of Worthington to utilize the estimated loan amount but is instead used as a placeholder for utilization of funds. Mr. Hain is working with the City of Worthington Finance Department and Bolton & Menk to complete the CWRF loan application which is due by March 30, 2021.

A motion was made by Commissioner Thompson, seconded by Commissioner Nixon and unanimously carried to formally recommend that City Council pass the resolution applying for a loan from the Clean Water Revolving Fund for improvements to the municipal wastewater treatment system to include an estimated loan amount of \$25,262,500 as presented in Exhibit 1.

Jeremy Braaksma left the meeting.

CARBON-FREE POWER SUPPLY

At the February 16, 2021, regular meeting, Scott Hain, General Manager, discussed a program offered by Missouri River Energy Services (MRES) 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. The Commission directed Mr. Hain to pursue utilizing the program.

Following the meeting, Mr. Hain contacted MRES and was informed that they do have an adequate inventory of REC’s. Should the decision be made to participate in the program, utility staff would report all electricity sales to MRES on a monthly basis and a \$0.001 per kWh charge would be applied to our monthly purchased power invoice. Mr. Hain stated he is confident that WPU can make all the power we provide to our customers “carbon-free” for under \$50,000 annually.

Following discussion, a motion was made by Commissioner Hayenga, seconded by Commission Harmon and unanimously carried that Worthington Public Utilities engage in the MRES offered program to make all WPU electricity sales carbon free effective with January 1, 2021 sales.

COMMISSION COMMITTEE REPORTS

Commissioner Thompson reported that he attended an Economic Development Authority (EDA) meeting on February 23. The primary agenda item was a request from the current owners of the Thompson Hotel for an additional \$200,000 in financing from the City of Worthington to fulfill the completion of the lower level. Mr. Thompson reported that further discussion on the request will be held at a future EDA meeting.

Commissioner Harmon also attended the February 23 EDA meeting. He reported that \$75,000 of the request would be used for sprinkler system upgrades and the remaining \$125,000 would be used for exterior improvements.

GENERAL MANAGER REPORT

Scott Hain, General Manager, gave a brief report on the potential effects on electric rates and gas pricing resulting from the unprecedented February winter storm in Texas. Mr. Hain reported that Missouri River Energy Services (MRES) expects no adverse effects on electric rates to its customers.

Mr. Hain requested that the regular Commission meeting scheduled for March 15, 2021, be rescheduled for March 22, 2021. If there are no items requiring Commission action the March 22 meeting may be cancelled. The Commission agreed to accommodate Mr. Hain's request.

ADJOURNMENT

A motion was made by Commissioner Nixon, seconded by Commissioner Thompson and unanimously carried to adjourn the meeting at 4:54 P.M. President Weg declared the meeting adjourned.

Deb A. Scheidt
Secretary to the Commission