

**MINUTES  
JOINT WORKSHOP  
City Council/Economic Development Authority  
and  
Delano Water, Light and Power Commission  
Monday, December 13, 2010  
6:00 PM**

**1. CALL TO ORDER**

Mayor McDonald called the special joint workshop of the Delano City Council/Economic Development Authority and Delano Water, Light and Power Commission to order at 6:00 PM.

**2. ROLL CALL**

**Members Present:** Joe McDonald, Mayor  
Holly Schrupp, Council Member  
Brad Hotchkiss, Council Member  
Larry Bartels, Council Member  
Betsy Stolfa, Council Member

**Members Absent:** None

**Also Present:** Phil Kern, City Administrator  
Mark Johnson, City Attorney  
Paula Bauman, Recorder

**Delano Water, Light and Power Commission:**

**Members Present:** Larry Bartels, Council Member/Chairman  
Bob Hutter, Commissioner  
Jonathon Ness, Commissioner  
Randy Keranen, Commissioner  
Joseph Johnson, Commissioner

**Also Present:** Hal Becker, Utilities General Manager  
Mike Gavin, CMMPA Attorney  
Steve Thompson, CEO CMMPA  
Sarah Denison Reynolds, CMMPA Attorney (phone)  
Aimee Dreger, Recorder

**Motion Number (M-10-266) Motion by Betsy Stolfa, seconded by Brad Hotchkiss to approve the Agenda of the Special Joint Workshop of the Delano City Council/Economic Development Authority and Delano Water, Light and Power Commission of Monday, December 13, 2010 as submitted. Motion Carried.**

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**3. SPECIAL ORDER OF BUSINESS**

**A. Discuss CAPX Brooking Transmission Line Project.**

Mark Johnson provided an overview of the risks Delano would assume if it were to sign the Brookings-Twin Cities Transmission Project Agreement provided by the CMMPA. Mr. Johnson discussed the nature of the project and discussed the risk assessment which included: 1. Delano must pay off the bonds and pay for the costs of the project whether or not the project is interrupted or terminated, and whether or not there are significant project cost increases. 2. The Agreement with Delano is only one of a multitude of agreements, many of which have not yet been negotiated or signed. These agreements, with unknown terms, will take precedence of Delano's Agreement with CMMPA. 3. Lack of local control. 4. Constraints on ability to sell the utility. 5. Restriction on issuance of other bonds.

Members of the CMMPA reviewed their CAPX Brookings Transmission Line presentation for members of Council and the Commission. Discussion included the background of the project, members who have invested in the project and investment opportunities. Hal Becker stated the utility has been working for the right to become involved with this project. From Mr. Becker's perspective looking at lowering transmission costs stating without the CMMPA the City doesn't have the power to participate.

Mike Gavin, CMMPA Attorney, stated this is a different project than generation stating if we do invest the City will get a return on the investment. Recovery will happen as soon as they break ground.

Council and the Commission discussed the incentives and risks involved in the project. Discussion also included the implications if Delano would want to sell the utility.

Mr. Thompson stated a decision needs to be made before March 1 due to the time crunch he recommended making a decision. The Council and Commission discussed the contract review process.

**4. ADJOURNMENT**

There being no further business to discuss the special joint workshop of the Delano City Council/Economic Development Authority and Delano Water, Light and Power Commission of Monday, December 13, 2010 was adjourned.

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Joe McDonald, Mayor

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Marlene E. Kittock, City Clerk

ATTEST:

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Paula Bauman, Recorder