

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, June 27, 2017**  
**6:00 PM**

**1. Call to Order**

The special joint workshop was called to order at 6:00pm on June 27, 2017.

**2. Roll Call**

**3. Special Order of Business**

**A. Updates from the City and Delano Municipal Utilities**

Chris Kopel spoke about CMPAS and discussed its mission, what it does, and how it works. CMPAS manages the power supply in Delano and serves as a consultant in terms of strategy for different agencies.

Jason asked about Xcel's Wholesale Power. Chris replied that it is \$70.00, which is higher than what CMPAS has. Part of this cost is related to what mandates Xcel has to follow. To a customer, CMPAS is cheaper.

Paul asked about the other entities shown in the provided graph, all of which are Municipal Power agencies. In the graph, the other entities are all higher than CMPAS in terms of costs.

Jason asked about power purchase contracts with Xcel, and Chris replied that they are no longer purchasing from Xcel because it is geared elsewhere. CMPAS is not purchasing anything from Xcel in regards to power supply.

Paul brought up the differences between distribution and transmission. Chris replied that transmission relates to the transformers themselves, which is handled under the Federal Energy Regulation Commission. Think of transmission as the highway system. Distribution relates to local utility costs.

Chris brought up that his company is doing a long-term power supply study. Several contracts will be fulfilled in the 2020's, which means that contracts will need to be replaced. 3 companies have combined to do a long-term study, which has yielded a few different options for new contracts. CMPAS is working to finalize which option it will propose, and it will likely be seeking approval within the next couple of months.

Jason asked what is driving the prices of energy, and Chris replied that the prices are coming down as portfolios are being retouched and analyzed for what energy should cost. There is a lot of rebalancing, and the final numbers will be calculated shortly. The industry is changing rapidly, so CMPAS is working to anticipate as accurately as possible.

Jonathon then gave his update and noted that the parking lot project is going well, and he appreciated the Council input in regards to its role in the City strategy. The school project adds

a load to DMU's work, and DMU is also looking into managing the wastewater. Jonathon also brought up the possibility of solar power existing out at the school.

Jon Sutherland commented that solar is going on the roofs in some schools, so Delano wouldn't be the first. Johnathon commented that DMU needs to be really open to the different ideas and cautious as to what it decides to try. DMU feels good about the budget and is on track. DMU still needs to address longer term plans and work on the cash reserves. DMU has the ability to generate cash every month, so it wants to be sure that the cash is being utilized properly.

Paul brought up that LED lights will be used at the 4<sup>th</sup> of July, which is very exciting for DMU. Jonathon also commented that DMU is able to enjoy low wholesale power costs and that it is eager to approve its representation with the commission.

B. Discuss projects and business of joint concern.

Phil spoke for the City and began with the Granite Works housing project, the concept plan of which was approved earlier this month. The application has been given to the Minnesota housing Project Agency. That means that this fall will entail the approval project. The plan itself and the decisions that need to be made in regards to the land are still being worked out.

Phil then transitioned to discuss the splashpad. At the council meeting in which the splashpad was approved, it was determined that the splashpad would be placed on the concrete pad in the park. Unfortunately, the soil beneath that pad is inhospitable to the splashpad, and it would cost \$100,000 to replace it. City staff then went back to Central Park and obtained soil borings throughout it. In the location that was originally planned for the concession stand, the soil was hospitable for the splashpad. Because the location itself is also satisfactory for the splashpad, Council motioned to move the splashpad to that spot. The original splashpad design fits in this location and thus will not need to be altered.

City staff is proposing that the entire area be fenced in and that the concession building be placed on the edge of the splashpad and serve as a boundary to the splashpad. The city engineer is looking at including the mechanical aspects of the splashpad into the concession stand and also including a small changing room that could only be accessed from the splashpad.

It is necessary to move quickly on this project. The design crew is chomping at the bit to begin this project, and they are eager to start digging. We are looking to fast-track this project, and while we have a week to tweak the design, the project will likely jump into motion very quickly.

Phil is also working on negotiations in regards to Railroad Ave. The final building needed hasn't officially been sold, but the City did acquire new land that it was looking to buy, so there is a chance that construction will take place this year.

#### **4. Adjournment**

Meeting adjourned at 7:04pm.