

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, April 30, 2019
5:30 PM

1. Call to Order

Mayor Graunke called the special joint workshop of the Delano City Council and Economic Development Authority of Tuesday, April 30, 2019, to order at 5:30pm.

2. Roll Call

Council Members Present: Dale Graunke, Mayor; Councilmembers Betsy Moran, Holly Schrupp, Jason Franzen* and Jon Sutherland

Also Present: Phil Kern, City Administrator; Mark Johnson, City Attorney; Paula Bauman, Administrative Services Coordinator;

Water, Light and Power Commission Members Present: Randy Keranen, Vice Chair; Commission members Jason Franzen* and Jonathon Ness

Also Present: Paul Twite, General Manager; Chris Hart, Finance Director; Kaela Brennen, Delano Municipal Utilities Attorney; Wendy Neu, Delano Municipal Utilities Office Manager; Chris Kopal, CEO of Central Minnesota Power Agency/Service

3. Special Order of Business

A. Discuss potential termination of relationship with Central Minnesota Municipal Power Agency.

General Utilities Manager, Paul Twite, presented a summary of the City of Delano and Delano Municipal Utilities relationship with Central Minnesota Municipal Power Agency and how energy markets work. Business models are a bit different and members do not want to commit to 20-30 year deals any longer. If the City of Delano chooses to do something different, it can take a significant number of years to do so. The current contract states there is a formal process that needs to be followed and a required termination notice of five years. If notice is given, Staff will continue to analyze current energy trends to remain relevant and provide Delano residents with reliable, sustainable and affordable energy.

Jonathon Ness discussed his concern regarding the CMPAS current structure of the board to be able to lead the Agency and make the best decisions for all members.

During this five-year period, Delano would continue as a member of the Agency, paying the applicable allocated share of budget costs, for example, as well as on-going contractual obligations under the Market Participant and Additional Services Agreement. In turn, the Agency remains obligated to fulfill its duties under these agreements during the five-year period. As part of the transition process, Delano will need to determine how to arrange for services and statutory requirements currently provided by the Agency. Discussion revolved around recommendations to create a subcommittee to research and determine what the next

steps and actions will be. The subcommittee will be formed from Staff, Council and Commission members.

The joint resolution is a withdrawal from the Agency. This is the first step to provide notice of withdrawal, along with Notice of Termination of Market Participant Agreement and the Additional Services Agreement. Second noted is the transmission of the resolution; needs written resolution of the governing bodies with certified copies sent to the Agency Board and Minnesota Secretary of States office. The third item is the authorization to take additional actions to bring forth the intent of this resolution.

Motion by Jon Sutherland, seconded by Jason Franzen to adopt Resolution R-19-13 authorizing the withdrawal as a member of the Central Minnesota Municipal Power Agency, transmitting the notice to the Agency and the Minnesota Secretary of State, and the Termination of the Market Participant Agreement and the Additional Services Agreement; motion carried 5-0 by roll call vote.

The Water, Light and Power Commission voted and approved the resolution. Motion made by Jonathon Ness and was seconded by Randy Keranen.

Motion by Dale Graunke, seconded by Betsy Moran to create a subcommittee of City and Delano Municipal Utility Staff, Council and Water, Light and Power Commission members to further evaluation and research during the five-year termination period; motion carried.

B. Discuss electric service in new developments

C. Update from both entities

City Administrator Phil Kern and General Manage Paul Twite updated the group on current projects and happenings within the departments. Discussion included Utilities building construction, residential development, land acquisition and cost of developments.

4. Adjournment

There being no further business to discuss, the special joint workshop of the Delano City Council and Delano Water, Light and Power Commission of Tuesday, April 30, 2019, was adjourned.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator