

**MINUTES OF THE DELANO WATER, LIGHT AND POWER COMMISSION
CITY OF DELANO, COUNTY OF WRIGHT, STATE OF MINNESOTA
WITH ALL ACCOUNTS BEING AUDITED BY SAID COMMISSION**

Monday June 26th 2023

1. CALL TO ORDER

The meeting was called to order by Chairman Mike Mathisen

2. ROLL CALL

Roll call was taken and a quorum established

Members Present:	Betsy Moran, Commissioner Mike Matheson, Chairman Nick Willing, Commissioner, via Zoom Chris Link, Commissioner Larry Bartels, Commissioner
Also Present:	Paul Twite, General Manager Michelle Hoffman, CLA Kaela Brennen, McGrann Shea Carnival Straughn & Lamb, Chartered Dan Smies, AEP Wendy Neu, Recorder

3. Agenda

A. There was a motion by Larry Bartels with a second by Betsy Moran to approve the Agenda.

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

Motion Carried

4. Financials

A. Michelle Hoffman presented the financials for the month of May. The operating budgets are favorable in both the water and electric divisions. After reviewing the cash flow Michelle is recommending that the Utility look at bonding to replace the 1.5m spent on the downtown substation upgrade.

Discussion took place on the Emergency and Capital funds that DMU currently has in place. After reviewing the Commission took action to replenish funds from the Capital Project fund.

There was a motion by Betsy Moran with a second by Chris Link to transfer the balance of the Capital Project fund to the general fund.

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

Motion Carried

B. There was a motion by Betsy Moran with a second by Larry Bartels to approve the 2022 Audit.

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

Motion Carried

5. MINUTES

A. There was a motion by Chris Link with a second by Larry Bartels to approve the minutes of the regular meeting on May 15th 2023

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

Motion Carried

6. Power Cost Adjustment

A. Review the Power Cost Adjustment for May billing of 0.00

7. GM Report

A. Conservation Improvement Update

Annual Reports have been filed with the State of MN. We will hear back on the status of the kWh carryover after review by the State.

B. Staff Update- items to be covered below.

8. Commissioners Report

A. City Council Liaison Update-

Greywood is transferring to new builder

Capstone addition is being reviewed and open for public comment

Betsy Moran will be ending her term as Commissioner. This will be her last meeting.

9. Unfinished Business

A. CMPAS Review

Kaela Brennen provided recap of discussion with CMPAS Council:

- Regular Board Attendance
- No notice could be filed to leave the agency for 5 years.
- CMPAS would be looking at a cost estimate of \$24,000 in repayment of agency costs related to departure.
- DMU would be an equal member. Votes and divisions are 1/12th split.
- DMU would be required to allow DGR initial review of generation assets. To align with the other generation members required. CMPAS would cover the cost of the review.

Additional Considerations from Kaela:

AEP:

- Option for a full requirements agreement
- Fully bundled energy cost with upcoming growth projects
- Solar the project will be integrated.

CMPAS:

- Cost considerations
- Permitting
- 2019 treatment by the agency
- Is the Commission aligned with CMPAS for the next 10 years.

Consideration for path moving forward:

Option 1 Stay with agency

Option 2 Proceed with determination of new market participant.

Continue the meeting to the 29th of June.

B. AEP Project Update

Dan Smies provided update on possible solar installation in Delano. Once a parcel is selected AEP will present a proposal after review has gone through an engineering study. Dan also mentioned that AEP is looking into battery storage.

C. Motion to Approve Joint Facility Agreement-tabled for amendment

There was a discussion on the terminology in the agreement. The commission would like to review the below items:

Equity Split upon termination

Termination is ongoing unless cancelled by any party.

Revisit Utility billing/ Property upkeep

10. New Business

A. Motion to Confirm CMPAS Delegates

There was a motion by Larry Bartels with a second by Betsy Moran to confirm Wendy Neu as delegate and Nick Willing as alternate.

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

B. Approve the Request for Action to update Family/Pregnancy Leave to align with the existing City Policy. The is a temporary policy and will be amended at the time the State and City finalize policy based on the passing of the new state requirements.

There was a motion by Larry Bartels with a second by Chris Link to approve the Request for Action to align the leave policy with the City.

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

11. CLAIMS

A. There was a motion made by Chris Link with a second by Betsy Moran to approve claims for the month of May 2023 in the amount of \$1,144,863.68.

Motion Carried

There was a motion by Larry Bartels with a second by Chris Link to continue the meeting on Thursday June 29th.

Betsy Moran-Aye
Mike Matheson-Aye
Nick Willing-Aye
Chris Link-Aye
Larry Bartels-Aye

13. ADJOURNMENT

There being no further business before the Commission, the meeting was continued at 9:21pm.



Mike Matheson, Chairman



Larry Bartels, Secretary

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Thursday June 29th, 2023

1. CALL TO ORDER

The meeting was reopened by Mike Mathisen

2. Roll Call

Roll call was taken and a quorum established.

Members Present: Mike Mathisen, Chairman
Larry Bartels, Commissioner
Nick Willing, Commissioner
Chris Link, Commissioner

Also Present: Paul Twite, GM
Vince Findley, AEP
Wendy Neu, Recorder

3. CMPAS Update

Clarification on the refund of Annual Fee's and that this is not part of bylaws. This is determined by the CMPAS Board Annually.

4. AEP Update-

Vince Findley led a discussion on current energy trends and requirements.

There was a discussion on the status of the current generation assets, the future of Diesel and how to create a safe and reliable energy solution. Diesel will be the first to be removed as we move away from fossil fuels. It is expected that Natural Gas will be the only reliable fuel system behind the meter. This is expected to be feasible for 20-30 years. Currently AEP is installing only natural gas generation assets alongside their carbon free options.

There was a discussion whether it is feasible for DMU to maintain generation or buy capacity. All parties agreed that at this time DMU would maintain the status quo with the generation assets currently owned.

AEP Proposal in response to the RFP for a Market Participant:

DMU would be looking at a Partial Requirement Agreement for AEP to be the Market Participant. With AEP being the Market Participant, MDMA would be done by Xcel (a local balancing authority).

AEP would manage the below as part of the agreement:

Firm Transition rights with MISO

Day ahead market

Load Growth Portfolio
Scheduling with CMPAS of the three existing PPA's
Settlement of Markets

Vince also discussed the addition of Solar Energy in Delano. The addition of Solar DMU would curtail peak demand. A Solar addition through AEP would be treated as a PPA for 30 years. There could be a review of buy-out options after 7 years if DMU desired.

There was a motion by Nick Willing with a second by Larry Bartels to confirm departure from CMPAS as covered in Joint Resolution No, R-19-13 dated May 8th, 2019.

Nick Willing - Aye
Mike Mathisen - Aye
Larry Bartels - Aye
Chris Link - Aye

5. General Utility Business

There was a discussion on Max Gen Emergency event call from MISO. If the emergency was called DMU would be able to run generation.

6. Adjournment

There being no further business the meeting was adjourned at 8:45PM.


Mike Mathisen, Chairman


Larry Bartels, Secretary