



**Special City Council Meeting
Wednesday, April 30, 2008
City Council Chambers
4:30 p.m.**

AGENDA

Call to Order
Pledge of Allegiance

1. CMMPA – Transmission Assignment Agreement – Request for Execution
2. Windom Fire Department – Remick Foundation Grant Application Authorization
3. Dam Project Feasibility Study Request for Proposals
4. Adjourn



UTILITY COMMISSION MINUTES

City Hall

April 23, 2008

DRAFT

Call Meeting to Order: The Utility Commission meeting was called to order at 10:00 a.m., on April 23, 2008 in the City Hall Council Chambers.

Members Present: Utility Commission Chairperson: Mike Schwalbach

Members Present: Chris Johnson
Keith Bloomgren

City Council Liaison: Jean Fast

City Staff Present: Steve Nasby, City Administrator; Brigitte Olson, Assistant City Administrator; Marv Grunig, Electric Utility Manager; Mike Haugen, Water/Wastewater Superintendent and Aaron Backman, EDA Director

Others Present: Dave Easler, Poet Bio-Refinery

APPROVAL OF MINUTES:

Motion by Johnson, seconded by Bloomgren, to approve the April 2, 2008 minutes with two changes. Minutes of the March 4, 2008 meeting were approved, and not the April 2, 2008 meeting. Also a name change on page two from Todd Brand to Troy Brand. Motion carried 3-0.

WATER/WASTEWATER ITEMS:

Sewer Extension for Sykora Addition – Aaron Backman informed the Utility Commission that the EDA is in support of the 8" sewer main which would increase capacity of the line and the cost of the project by approximately \$8,000. This project would put the sewer main on the east side of the highway, and would be available for future development in the North Industrial Park. Discussion was held by the Utility Commission on the elevations for this project, and information was requested from Haugen for the next meeting. Nasby indicated that the property owners from the Sykora Addition have not yet signed the formal petition for this improvement, but he has spoken to them and expects to get the signatures from them shortly.

Poet Bio-Refinery – Dave Easler from Poet Bio-Refinery informed the Utility Commission that the MN Pollution Control Agency (MPCA) will not allow the water project to continue because of the hardness of the water discharged from the plant. He indicated that the hardness was 20-30 parts harder than the City of Windom's water. Easler also said that they will be retro-fitting the plant to a 0-Liquid Discharge which would save them approximately 30,000,000 gallons of water per year. This project should be completed in 2008. Easler also said that the Industrial water line is almost complete. The only item left is boring under the railroad.

Hay Bids – Haugen presented the Utility Commission with the Hay Bids for the 10 acres around the landfill site. The bids were as follows:

Justin Freking	\$85.00 per acre
Al Saffert/John Holt	\$35.00 per acre
Gordon Goertzen	\$32.70 per acre

Motion by Johnson, seconded by Bloomgren, and carried to accept the bid from Justin Freking for \$85.00 per acre for a 5 year period of time. Motion carried 3-0.

Haugen requested that the City Office Staff send notices to the bidders.

Landfill – Haugen informed the Utility Commission that the semi annual water test was completed at the well site for the landfill. He said that he would bring the results to the Commission at their next meeting.

PM Windom – Haugen said that he, Backman and Nasby met with PM Windom and presented the new rate schedule for their wastewater discharge. Nasby and Haugen informed them that this rate would go into effect on July 1, 2008. The new rate is as follows:

Flow	\$1.12/1000 gallon
BOD	\$0.55 #'s / Day
TSS	\$0.60 #'s / Day
NH3-N	\$0.92 #'s / Day

Haugen also informed the Commission that PM Windom will be increasing their water usage from the City of Windom, usage to be between 8,000 to 10,000 gallons per day.

NEW BUSINESS:

Schwalbach addressed both the Water/Wastewater Department and Electric Department regarding Homeland Security. Wondering what had been done, and if the City of Windom had any idea of what other communities have done to protect their water source and power distribution.

- Haugen indicated that they had installed steel doors and additional lighting through a grant that they received through Homeland Security secured by Mark Marcy who is the director of Homeland Security for Cottonwood County.
- Grunig said that they installed additional lighting

Grunig and Haugen were directed to look into this issue and contact Mark Marcy for additional information to keep our City's resources safe.

ELECTRIC ITEMS:

Grunig updated the Utility Commission on the contract agreement between Central Minnesota Municipal Power Association (CMMPA) and Windom, and the Transmission Facilities Assignment Agreement.

- BSPII Participation Agreement - This renewal is on hold while the Certificate of Need (CON) on the Transmission process moves to the Minnesota Public Utilities Commission (MPUC) in early May 2008.
- MISO Market Participation Agreement – This agreement allows CMMPA to act as the Market Participant to allow Windom to buy market energy and services from MISO. The agreement is still in the development stage as more information is requested from members.
- Transmission Facilities Assignment Agreement – This agreement requires Windom to turn over “operational control” of the Utility’s transmission assets to MISO thru CMMPA. This creates a revenue stream to the Windom Electric Utilities. This revenue is calculated in the Annual Transmission Revenue Requirement (ATTR) “Att.O Filing”. The projected 2006 ATTR for Windom is \$15,706. This revenue stream will occur yearly through the ATTR filing, and the rate of return will be based on the BSPII transmission investment and the CAPX transmission investment, and Windom’s investment in the Alliant Project for 2008. This agreement has been reviewed by the City Attorney.

Motion by Johnson, seconded by Bloomgren, to recommend approval of the “Transmission Facilities Assignment Agreement” to the City Council, and the signing of this agreement. Motion carried 3-0.

11th Street Access Closure Request/MNDOT – Grunig informed the Utility Commission that Minnesota Department of Transportation (MNDOT) has issued a voluntary request to close the 11th Street access to the Power Plant. Listed below are the reasons that Grunig would recommend not to close the 11th Street access at the present time.

- Access is used for utility vendors
- Employee parking
- Emergency entrance to the substation

Bloomgren abstained from this vote as a MNDOT employee.

Motion by Johnson, seconded by Schwalbach, that the request is to not close the 11th Street access at the present time, until a more suitable alternative is found. Motion carried 2-0. Abstained from vote: Bloomgren

Paul Hintze request for City of Windom Electric service – Grunig informed the Utility Commission that Hintze’s property is outside the city limits, however is in the City’s service territory, and the compensatory request for loss of revenue to South Central Electric Association has expired. Therefore it is should not be an issue for the City of Windom Utilities to provide him with electric service.

Western Minnesota Municipal Power Agency (WMMPA) – This agency has requested that the City of Windom Utilities withdraw a longtime Charter Membership with their agency. After discussion by the Commission, they requested more information before making the decision.

S E H Engineering – Grunig informed the Commission that Dallas Olsen an “On Site” Electrical Engineer from S E H has resigned from the firm.

REGULAR BILLS:

Motion by Bloomgren, seconded by Johnson, to approve payment of the invoice to Wenck Associates in the amount of \$535.30. Motion carried 3-0.

OLD BUSINESS: None

NEW BUSINESS:

Schwalbach requested information on interest rates and bonding rules. Olson and Nasby informed the Commission that we have been working with rates, and at the present time Bank Midwest has the best rates available to the City in an open ended savings account. Certificates of Deposit (CD) are longer terms, and staff did not feel that the revenue should be tied up for that long a period. Staff also informed the Commission that Northland Securities and Ehlers & Associates have looked at the City's bonds, and at the present time there are none available for refunding, and interest rates are favorable on the present bonds.

Engineering Firm - Nasby reviewed the procedures with the Utility Commission that had taken place in 2006 at the time Wenck Associates were selected as the City of Windom's engineering firm for 2007. H noted that the City Council has now decided to have three (3) engineering firms give proposals for the 2009 Street Improvement Project. The firms that will be submitting proposals are listed below:

Wenck Associates
S E H Engineers
Bolton & Menk, Inc.

The firms listed above will give a short presentation to the City Council on May 6, 2008, and Nasby invited the Utility Commission to that meeting. He anticipated that a decision on the 2009 Street Project Engineer would be made at the Council's May 20, 2008 meeting.

Next regularly scheduled Utility Commission meeting will be May 28, 2008 at 10:00 a.m.

Mike Schwalbach, Chairperson

Attest: _____
Steve Nasby, City Administrator

April 3, 2008

Mr. Mav Grunig
444th 9th Street
Box 38
Windom, MN 56101
marvg@windom-mn.com

RE: CMMPA - Transmission Assignment Agreement - Request for Execution

Dear Mr. Grunig:

As you are probably aware, CMMPA has applied to become a transmission owner as defined by the Midwest Independent Transmission System Operator (MISO). By becoming a transmission owner, CMMPA will be able to fully participate in the transmission that will be constructed for the Big Stone Power Station II project and also the CAPX 20/20 Brookings project. These projects should generate net revenues for the benefit of CMMPA and all member participants. In addition, there is a possibility that those members, who already have qualifying transmission, may qualify to share in the revenues generated by MISO.

However, in order for CMMPA to qualify as a transmission owner and also in order for you to have a possible revenue share from MISO, it is necessary that a written agreement, assigning operating control of your transmission, be executed by you and by CMMPA. An initial time table was established to have a comprehensive Transmission Ownership Agreement in place around August 1st. However, as a prerequisite for granting CMMPA transmission owner status, MISO is requiring that CMMPA provide proof that it has operating control of Participants' transmission. Therefore, CMMPA has drafted a short form proposed Interim Transmission Assignment Agreement.

Michael M. Gavin
Attorney at Law
Texas Line
1-800-240-4810
PIN 4815
EMAIL
mgavin@goslawfirm.com
WEBSITE
www.goslawfirm.com

Attached to this letter please find CMMPA's proposed Transmission Assignment Agreement. This is needed just as soon as possible so that CMMPA may continue its efforts with MISO to obtain credit for your transmission assets and more importantly, to obtain revenue, if possible, from MISO's use of these assets.

Please feel free to contact me with any questions or concerns you may have. Similarly, you may have your legal counsel contact me for the same reasons.

Thank you very much for your prompt attention to these requests. If approved, please print out and sign four originals and return them to Colleen at CMMPA. She will obtain the signature of Bob Elston as president. She will return one fully executed agreement to you for your records. With best regards, I am

April 3, 2008

Page -2-

Very truly yours,

Michael M. Gavin

MMG/nb

Enclosure

cc: Robert Jablon
Andrew Lucero
Steve Stein
Donna Painter
Bob Schulte
Arthur McMahon
Steve Thompson
Colleen Knudtson

TRANSMISSION FACILITIES ASSIGNMENT AGREEMENT

This Assignment Agreement ("Agreement") shall confirm the agreement reached on April ____, 2008, by and between the Central Minnesota Municipal Power Agency ("CMMPA") acting for itself, its members, the Midwest Municipal Transmission Group and its members and the City of Windom ("City"). Hereinafter, CMMPA and City are sometimes referred to singly as "Party" and collectively as "Parties", with respect to the intent to assign operational control of qualifying transmission facilities under the terms and conditions as follows:

Assignee: CMMPA

Assignor: City

Governing Agreements: The Midwest Independent Transmission System Operator ("MISO") Transmission and Energy Markets Tariff ("TEMT"), effective March 1, 2005; Transmission Owner (TO) Agreement between CMMPA and MISO

Contract Term: January 1, 2008 through December 31, 2013.

Transmission Facilities: All of City's transmission facilities regardless of voltage as more fully set forth on attachment "A".

Assignment: City does hereby transfer operational control of its transmission facilities to CMMPA during the term of this agreement and any renewal terms. The City shall retain physical control of its transmission facilities along with the obligations to repair, maintain and insure these facilities in accordance with good utility practices. CMMPA has no liability for, and by execution of this agreement assumes no liability for, City's transmission facilities.

Reassignment: City acknowledges that CMMPA will fully reassign and convey operational control of qualifying transmission facilities to MISO in accordance with MISO requirements and Federal Energy Regulatory Commission (FERC) law and policy.

NERC Compliance Responsibility
City retains all responsibilities to comply with the North American Electric Reliability Corporation (NERC) rules and regulations. If City wishes to assign NERC compliance responsibility to CMMPA, it must do so in a separate agreement.

Designated Market Participant Transmission Scheduling: CMMPA shall use Utilities Plus ("UP") as its designated MISO Market Participant ("MP") to schedule transactions as defined in the TEMT and in accordance with all MISO rules and regulations.

Designated MISO Transmission Owner (TO) Collection of Revenues: City hereby appoints CMMPA as its MISO TO agent for all purposes required under the TO Agreement and TEMT including but not limited to the submittal and collection of all Annual Transmission Revenue Rights payments under the TEMT and protesting or contesting, on its behalf, any errors in billing or related matters. On its behalf, City authorizes CMMPA to obtain rate recovery and revenue distribution from MISO and other TOs as necessary.

Disbursement of Revenues Received: CMMPA shall, after collecting reasonable fees and costs for its services and those of UP and subject to any other relevant agreements with the City, disburse the revenues received from MISO and other TOs for the use of City's transmission facilities to the City in an equitable manner.

**Other MISO
Charges:**

City shall also be responsible for and reimburse CMMPA for any other miscellaneous MISO charges reasonably allocable to City, which CMMPA may pay, including but not limited to administrative and scheduling charges and Revenue Sufficiency Guarantees associated with the use of transmission facilities under this Agreement. City shall also be responsible for and reimburse CMMPA for City's allocable share of CMMPA costs incurred in performing its TO agent function including all costs incurred under the TO Agreement with MISO.

**Superseding
Agreement:**

The parties to this agreement acknowledge that they are in the process of developing, negotiating and drafting a comprehensive Transmission Ownership Agreement and other permanent agreements governing the relationship between City and CMMPA. These agreements will include City's Big Stone Power Station II and CAPX 2020 transmission investments and other permanent service agreements. The parties therefore acknowledge that upon the completion and execution of the comprehensive Transmission Ownership Agreement and other permanent agreements, the terms and conditions of those agreements shall supersede the terms and conditions of this interim agreement. Transactions thereafter shall be governed by the more comprehensive terms and conditions of the comprehensive Transmission Ownership Agreement and other permanent agreements. Such agreements shall be consistent with MISO requirements and FERC law and policy.

The terms and conditions in this Agreement shall remain in effect for the term of the transactions described herein.

CMMPA as to its signatory and City as to its signatory each hereby represents and warrants that the person executing this Agreement on its respective behalf is duly authorized to do so, and that, by each execution set forth below, such party is hereby duly and lawfully bound by this Agreement.

Central Minnesota Municipal Power Agency

City of Windom

Signed: _____

Signed _____

Title: _____

Title _____

Date: _____

Date: _____



Memo

To: Mayor and City Council Members
From: Denise Nichols
Date: April 25, 2008
Re: Windom Fire Department Grant Application

Members from the Windom Fire Department will attend the Council meeting to request authorization to submit a grant application to the Remick Foundation for the purchase of a Hurst Jaws of Life apparatus.



Memo

To: Mayor and City Council Members
From: Steve Nasby
Date: April 25, 2008
Re: Des Moines River Dam Project

The City has received funding from the State Legislature for the Windom Dam Project. The next step in the project is to complete a feasibility study. Attached for the Council's review is a copy of the "Request for Proposals for the Des Moines River Dam Project Feasibility Study".

Staff is requesting Council approval of the Request for Proposals.

Request for Proposals
Des Moines River Dam Project Feasibility Study
Windom, Minnesota
April 2008

The City of Windom is seeking proposals from qualified firms to prepare a feasibility study of potential solutions for a low-overhead dam that is located within the community on the Des Moines River. The existing structure was analyzed by Wenck Associates in February 2008 and no significant structural problems were noted (a copy of the report is available on-line at www.windom-mn.com). At the current time the river is by-passing the dam structure (see attached photographs). Discussions with the Minnesota Department of Natural Resources (MN DNR) have identified negative effects of the dam on public safety and the ecology of the Des Moines River. In addition, the Minnesota Department of Transportation (MN DOT) has indicated that any work to be done on this project must take into account potential impacts to two State bridges. The following Scope of Work provides an outline of the information the City of Windom anticipates having as a result of the Feasibility Study.

Scope of Work

Proposals must include the following information to qualify to be considered valid:

1. A plan to include members of the community with various view points in the process of designing concept options.
2. Options being considered include removal of the dam and restoration of the stream corridor, reconstruction and/or modification of the dam to correct structural, safety and/or environmental problems and provide for fish passage and habitat.
3. A minimum of five realistic conceptual design options including estimated cost of each option. "Do nothing" is not a viable option. One of the options should include the possibility of utilizing the Windom dam for hydro-power generation.
4. Communications designed to keep City staff, MN DNR & MN DOT staff, elected and appointed officials informed about progress throughout the study process.
5. A timeline for the completion of the study, not to exceed 120 days, from award to final report to the City Council.
6. Coordination with the City of Windom and the MN DNR & MN DOT throughout conceptual design process.

Proposal Submittal

1. Show all costs itemized with a total cost "not to exceed". Show hourly rate schedule. Include any other expenses such as time, materials, travel, etc. Provide fee schedule for potential "add-on" work.

2. A minimum of three references for similar projects undertaken within the past three years. List contact name, address, phone number and email address for each reference. The City of Windom reserves the right to investigate the references and the past performance of any applicant with respect to its successful performance of similar projects, compliance with specifications and contractual obligations, and its completion of a project on schedule.
3. Submit eight copies of the proposal and one additional electronic copy in a form suitable for reproduction by the City.

Insurance Requirements for Selected Firm

The Contractor shall not commence work under the Contract until he/she has obtained insurance coverage as described in this Section and such insurance has been approved by the Windom City Attorney or his designee. The Contractor shall provide the City of Windom the original or a certified duplicate copy of the Public Liability and Property Damage Insurance and Extended Coverage Policies required hereunder. The Contractor shall furnish the City with a Certificate of Insurance from the insurance company issuing the policies for Worker's Compensation Insurance and such other insurance as is herein required. All policies and certificates shall provide that the policies will remain in force and effect on ten days written notice to the City of Windom before cancellation.

The contractor shall procure and maintain during the life of the Contract and until the Contract has been fully accepted, insurance policies as follows:

1. Public Liability and Property Damage Insurance:

For and on behalf of himself/herself and the City of Windom as joint assured, and with a cross liability endorsement protecting the City of Windom from claims or damages for personal injuries, including accidental death, as well as for claims for property damage which may arise from operations under the Contract, whether such operations be by the Contractor or by the subcontractor or by anyone directly or indirectly employed by either of them.

Said Public Liability and Public Property Damage Insurance Policy shall provide that the insurance company waives the right to assert the immunity of the City as a defense to any claims made under said insurance.

The amount of such insurance will be as follows:

Public Liability Insurance in an amount of not less than One Million Dollars (\$1,000,000) for all damages arising out of bodily injuries to, or death of one person and subject to the same limit for each person in a total amount of not less than One Million Dollars (\$1,000,000) on account of one accident, and property damage insurance in an amount of not less than One Million Dollars (\$1,000,000) for all damages to or destruction of property in any one accident and subject to that limit, a total limit of One Million Dollars (\$1,000,000) for all damages to or destruction of property during the policy period.

2. Worker's Compensation Insurance:

For all his/her employees employed at the site of the Project and in case any work is sublet, the Contractor shall require the subcontractor to provide Worker's Compensation Insurance for all his/her employees.

3. Automobile Public Liability Insurance:

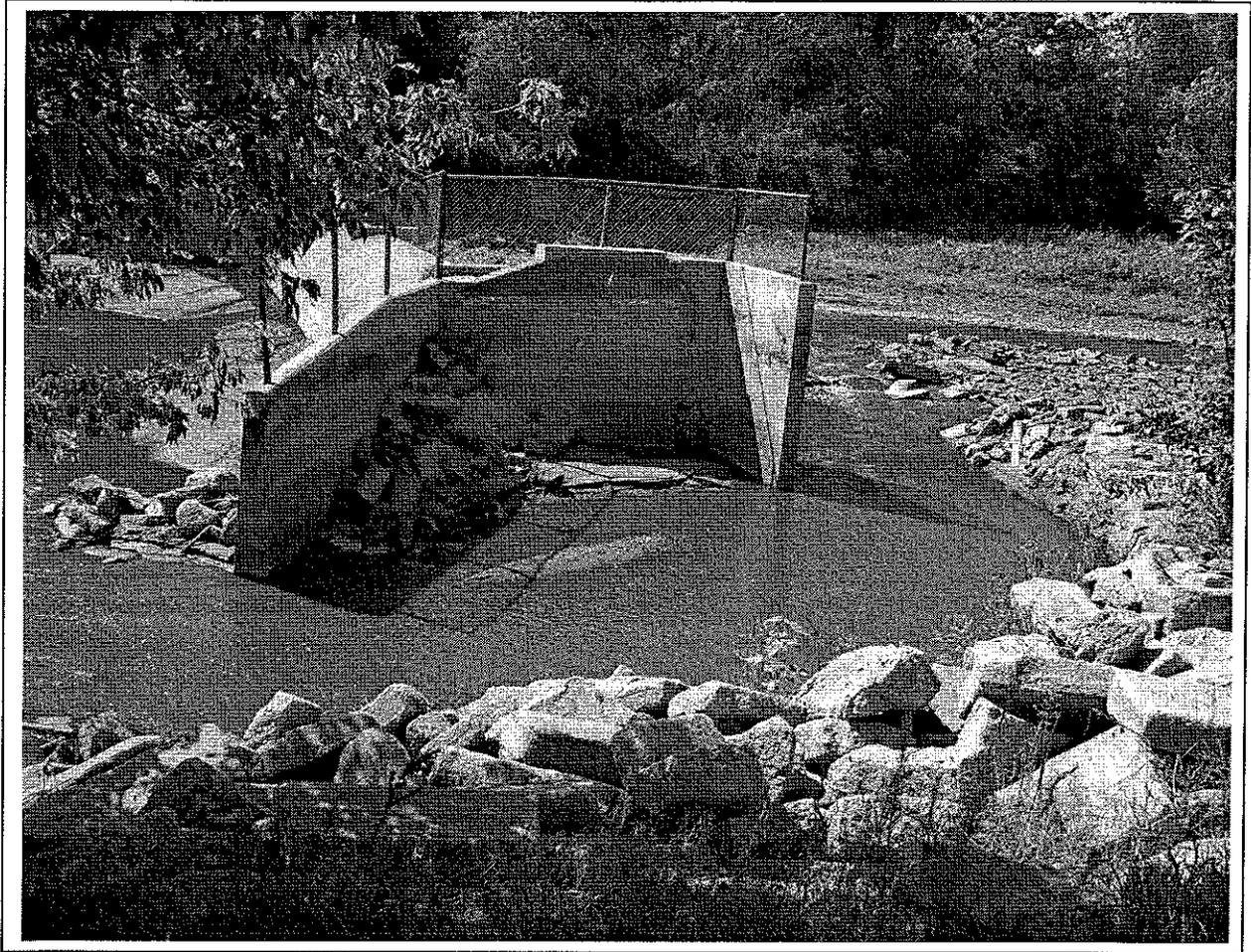
One Million Dollars (\$1,000,000) for all damages arising out of bodily injuries to, or death of one person, and subject to that limit for each person, a total of One Million Dollars (\$1,000,000) for any one accident and property damage liability insurance in an amount no less than One Million Dollars (\$1,000,000) for all damages to or destruction of property in any one accident and subject to that limit, a total of One Million Dollars (\$1,000,000) for all damages to or destruction of property during the policy period, if any motor vehicles are engaged in operations within the term of the Contract on the site of work covering the use of all such motor vehicles unless such coverage is included in the insurance provided for under subsection "1" hereof.

The cost of all insurance required herein will be considered to be an incidental expense and no direct compensation will be made therefore.

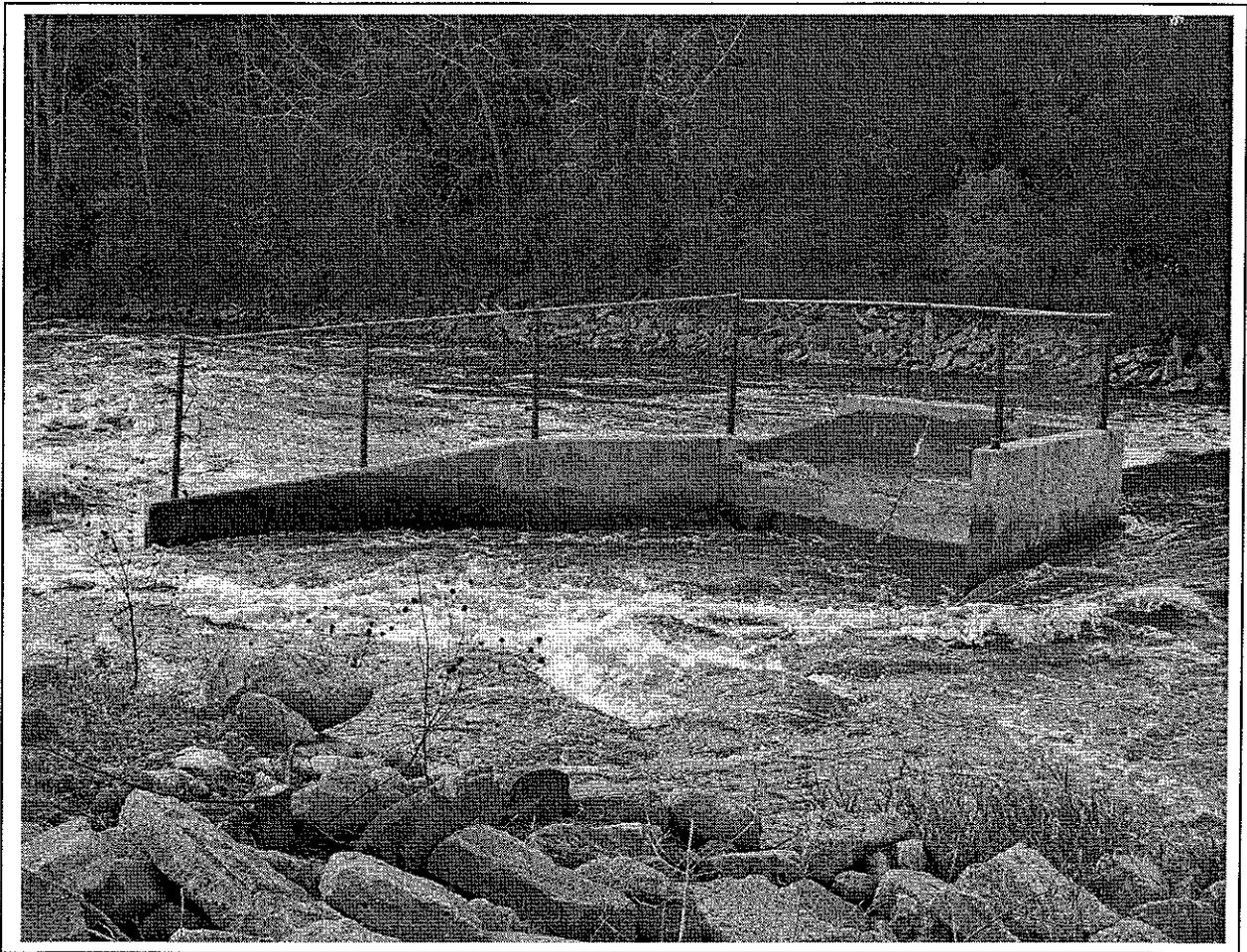
Please submit the proposal to:

City of Windom
Steve Nasby, City Administrator
444 9th Street
Windom, MN 56101

The deadline for submission of proposal is **May 15, 2008, 5:00 p.m.** All proposals must be received at the above address by the date and time stated.



Des Moines River By-passing Windom Dam – July 2007



Des Moines River By-passing Windom Dam – October 2007