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MEMORANDUM
VIA EMAIL TRANSMITTAL

TO: Dave Schelkoph, General Manager Marshall Municipal Utilities
CC: Pamela Whitmore, City Attorney; Sharon Hanson, City Administrator
FROM: Dennis H. Simpson, Real Estate Attorney City of Marshall
DATE: April 4, 2023
RE: Review of Reserved Capacity Agreement
FILE NO. M015.082

Thank you to you and MRES for the quick turnaround of the Amended Reserved Compacity Agreement (RCA). I met with you on Tuesday, March 28th and discussed and reviewed with you my thoughts regarding the RCA. I wanted clarification that there were no unintended financial or personnel consequences to MMU as a result of entering into the RCA. You have provided assurance to me that both MMU and MRES understand the financial consequences and implications related to the RCA. You believe that the financial benefit to MMU outweighs any requirements of the City of Marshall and MMU. The financial benefit to the City will allow the City and MMU to install additional generators for the increased electrical compacity for use by the City and resale to MRES. The costs of the generators will be paid in a significant amount by the funds from MRES as set forth in the RCA.

As we discussed, the RCA is for a period of time exceeding 10 years and as such the Marshall City Council will have to approve that agreement. The exhibits of the agreement, which provide for operational procedures and reserved compacity requirements should be signed by MMU. I have reviewed recent correspondence from City Attorney Pam Whitmore and agree with her analysis regarding the appropriate resolution to be signed verifying City authority to approve the contract with MMU authority to sign the exhibits.

Finally, my only suggestion for the March 30th amended draft from MRES would be to include the City of Marshall as a signatory to that Exhibit E as also set forth in Exhibit D. Just ask MRES to add Marshall, Minnesota above the signature line in the middle of Page 2, Exhibit E.

Please feel free to contact me if you have any additional questions or concerns.

DHS:jlh