

Joint Resolution of the City of Marshall and Marshall Municipal Utilities Approving the 2023 Partnership Agreement

Whereas on Monday, October 31, 2022 at 12:00 noon, Mayor Robert Byrnes, City Administrator, Sharon Hanson, Director of Public Works/City Engineer Jason Anderson, Director of Administrative Services, EJ Moberg and MMU Commissioners Scott Saugstad, Kris Carrow, and Sonya Kayser joined by, MMU's General Manager Dave Schelkoph, Customer Service Manager, Leslie Hisken, Finance Manager Kevin Lee, Electric Operations Manager, Tony Mead and Water Operations Manager, Jeff Larson reviewed the 2023 Partnership Agreement material, and

Whereas, the representative group reviewed and discussed the individual agreements and attachments outlined below. Following discussion, the committee recommends the City Council and the Marshall Municipal Utilities Commission reaffirm the agreements.

Now therefore be it resolved, the individual agreements that comprise the 2023 Partnership Agreement and their attachments listed below are hereby approved and the Mayor, City Clerk, Chairman of the Commission and Secretary to the Commission are hereby authorized to sign this Joint Agreement and said individual agreements:

1A.4	Payment- In-Lieu-Of-Taxes (PILOT)	Modified Agreement and Attachments
2A.1.4	Street Lighting	Modified Attachment
3A.1.4	Fire Protection	Modified Agreement and Attachment
4A.1	Wastewater & Surface Water Management Billing & Collections	Modified Attachments
5A.1.1	Professional Engineering Services	No Change
6A.4	Joint Industrial Land Development	Modified Agreement
7A.1.12	MMU Capital Funding Plan	Modified Agreement
8A.1.12	Fiber Optic Utilization	Modified Agreement
9A.1.10	Telephone and IT Shared Services	Deleted
10A.1.8	Chloride Reduction Coordination	Modified Agreement
11A.4	GIS Coordination	Modified Agreement and Attachment
12A.4	Radio Frequency (RF) Coordination	Modified Agreement and attachment
13A	Water Main Development Agreement	New Agreement

The City Council approved this Agreement on _____ 2022.

The MMU Commission approved this Agreement on _____ 2022.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Date

Date

Secretary of the Commission

City Clerk

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Payment-In-Lieu-Of-Taxes (PILOT)		Agreement Number: 1A.4
Date of Adoption:	Updated: October 31, 2022 Reaffirmed:	Effective: January 1, 2023

Subject Matter:

As a Municipal Utility, Marshall Municipal Utilities (MMU) is exempt from paying property tax. Due to being a tax-exempt entity, MMU will remit a Payment in Lieu of Tax (PILOT) to the City of Marshall.

Scope of Activity:

The purpose of the Agreement is to define the basis of the PILOT payment remitted to the City of Marshall by MMU.

PILOT Calculation:

The annual PILOT calculation is based on the average annual kilowatt hour (kWh) sales using the most recent audited ten (10) years information. The calculation is based on a ten (10)-year average instead of the prior year's kWh sales to allow payment to be less volatile. To calculate the PILOT, an energy rate of \$.0014 is multiplied by the average kWh sales to determine the base amount. In addition, an amount in support of EDA programs and activity will be made annually. That EDA increment would be the result of multiplying the 10-year average energy sales (excluding GS-4 sales) by \$.0006 and GS-4 sales by \$.0001 which would yield \$178,551 in the current calculation Attachment A and B show the forecasted amounts for the succeeding year.

Funding:

On a monthly basis, MMU will remit one twelfth of the annual PILOT amounts to the City.

Marshall Municipal Utilities Commission**City of Marshall**

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT A

PAYMENT IN LIEU OF TAXES (PILOT) AND ECONOMIC DEVELOPMENT AUTHORITY (EDA) PILOT SUPPORT TO THE CITY OF MARSHALL MARSHALL, MINNESOTA

2023 Payment in Lieu of Taxes (PILOT) Calculation

<u>Audit Year</u>	<u>Total kWh Electric Sales</u>	<u>Industrial Customer kWh Electric Sales</u>	<u>All other kWh Electric Sales</u>
2012	603,880,688	351,260,000	252,620,688
2013	604,240,783	344,190,000	260,050,783
2014	591,425,915	334,530,000	256,895,915
2015	587,485,240	340,606,000	246,879,240
2016	572,499,415	329,056,000	243,443,415
2017	570,043,971	333,382,000	236,661,971
2018	573,113,094	329,336,000	243,777,094
2019	558,720,581	318,542,000	240,178,581
2020	531,120,905	306,140,800	224,980,105
2021	516,987,452	293,356,000	223,631,452
Total	5,709,518,044	3,280,398,800	2,429,119,244
<u>10 Year Rolling Average kWh Electric Sales (based on audit years 2012 through 2021):</u>	570,951,804	328,039,880	242,911,924
<i>Base PILOT Rate Per kWh</i>		\$ 0.001400	\$ 0.001400
2023 BASE PILOT	\$ 799,333	\$ 459,256	\$ 340,077
<i>EDA PILOT Support Rate per kWh</i>		\$ 0.000100	\$ 0.000600
2023 BASE EDA PILOT Support	\$ 178,551	\$ 32,804	\$ 145,747
2023 PILOT Payment to City of Marshall	\$ 977,884	\$ 492,060	\$ 485,824

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT B

MARSHALL MUNICIPAL UTILITIES PAYMENTS /ALLOCATED COSTS AND CITY OF MARSHALL PAYMENTS

	Estimated 2023	Projected 2022	Historical 2021	Historical 2020	Historical 2019	Historical 2018	Historical 2017
MMU PILOT/Allocated Cost Discounts							
PILOT							
Base	\$ 799,333	\$ 812,944	\$ 823,773	\$ 810,579	\$ 819,195	\$ 828,669	\$ 840,349
EDA Support #	\$ 178,551	\$ 181,581	\$ 184,078	\$ -	\$ 457,939	\$ 500,000	\$ 500,000
Total PILOT Payments	\$ 977,884	\$ 994,525	\$ 1,007,851	\$ 810,579	\$ 1,277,134	\$ 1,328,669	\$ 1,340,349
Discounted Services							
* Streetlight Costs from COSS	\$ 277,522	\$ 277,316	\$ 277,316	\$ 277,316	\$ 241,575	\$ 241,575	\$ 241,575
* Fire Protection Costs from COSS	\$ 260,319	\$ 203,445	\$ 203,445	\$ 203,445	\$ 202,624	\$ 202,624	\$ 202,624
Wastewater Billing Cost Allocations	\$ 90,236	\$ 97,729	\$ 92,885	\$ 80,119	\$ 84,625	\$ 85,777	\$ 85,049
Surface Water Billing Cost Allocations	\$ 24,243	\$ 24,866	\$ 24,019	\$ 32,047	\$ 33,538	\$ 32,297	\$ 33,643
Total Discounted Services	\$ 652,320	\$ 603,356	\$ 597,665	\$ 592,927	\$ 562,362	\$ 562,273	\$ 562,891
Total MMU PILOT/Allocated Cost Discounts	\$ 1,630,204	\$ 1,597,881	\$ 1,605,516	\$ 1,403,506	\$ 1,839,496	\$ 1,890,942	\$ 1,903,240
Annual Audited Electric Sales Revenue	\$ 37,421,200	\$ 37,421,200	\$ 35,141,255	\$ 35,101,047	\$ 37,234,582	\$ 38,853,509	\$ 41,780,183
	4.36%	4.27%	4.57%	4.00%	4.94%	4.87%	4.56%
City of Marshall Payments							
Streetlight Costs from COSS	\$ 277,522	\$ 277,316	\$ 277,316	\$ 277,316	\$ 241,575	\$ 241,575	\$ 241,575
Fire Protection Costs from COSS	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000
Total City of Marshall Payments	\$ 422,522	\$ 422,316	\$ 422,316	\$ 422,316	\$ 386,575	\$ 386,575	\$ 386,575

Note:

- # Prior to 2021, this was an Industrial Land Development PILOT Payment based on the Joint Industrial Land Development Agreement with the City of Marshall
- * These costs will be established during the Cost of Service and Rate Design studies resulting in a Rate established for a three year period.

Estimated amounts for 2023 activity
Budgeted Revenue for 2022
Projected amounts based on 2022 activity to date
Historical amounts
Formula-driven cell

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Street Lighting		Agreement Number: 2A.1.4
Date of Adoption: October 20, 2004	Updated: November 18, 2019 Reaffirmed: October 31, 2022	Effective: January 1, 2020

Subject Matter: Marshall Municipal Utilities (MMU) will work in partnership with the Marshall City Government to provide street lighting to enhance public safety and improve the aesthetics of the community of Marshall. For purposes of this policy, street lighting includes lights on poles used to light public roadways, public bicycle paths, municipal parking lots and municipal park lands. It does not include lighting used for athletic recreational fields.

Scope of Activity:

- **Design:**
The design selection of the streetlight pole and lamp will be determined by a committee consisting of the City of Marshall's Director of Public Works and Marshall Municipal Utilities (MMU) Electric Operations Manager. They will consider input from the constituency groups that are affected. The committee will take into consideration, budgetary, aesthetic, operations and maintenance costs as they select the street lighting design.
- **Placement:**
The selection of the location or placement of all street lighting facilities will be made by MMU's Electric Operations Manager or his designated electric utility employee. Locations will be selected that comply with the design goals of the Director of Public Works or the Minnesota Department of Transportation if a State Highway.
- **Ownership:**
The streetlights shall be owned by Marshall Municipal Utilities. Their value will be accounted for in the accounting records of MMU.
- **Decision Making Process:**
The responsibility for making decisions regarding construction, repairs, replacement, inventory and timing of the same rests with MMU's Electric Operations Manager. If needed, MMU's Electric Operations Manager will solicit input from the Director of Public Works using prior practices as a template.
- **Funding:**
On a monthly basis, MMU will invoice the City an amount which is calculated based on an annual amount that is mutually agreed upon at the annual partnership meeting between MMU and the City of Marshall. The amount will be based upon the fully allocated costs to furnish the street lighting as determined in the Electric Cost of Service and Rate Design Study updated every 3 years. These expenditures include the cost of electricity, O&M as well as the capital cost of new light purchases. It also covers the cost of electricity for signalization; however, does not include the capital or O&M costs for signalization.

When there may be grant money available for lighting streets and parks, the City of Marshall shall provide the grant writing assistance to attempt to secure said grant funding.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

**CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES
AGREEMENT**

ATTACHMENT A

**Street Lighting Services for
City of Marshall
Marshall, Minnesota**

The fee for providing Street Lighting Services to the City of Marshall is based on the following:

The fully allocated cost per the most recent Electric Cost of Service and Rate Design Study, shared equally (50/50) by the City of Marshall and Marshall Municipal Utilities.

Fully Allocated Cost (per Electric Cost of Service and Rated Design Study, October 18, 2022)	\$555,043
City of Marshall allocation	<u> x 50%</u>

2023 Annual Street Lighting Services funded by the City of Marshall	\$277,522
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Marshall Municipal Utilities
Allocation of Revenue Requirements

		Residential	Commercial		Demand Metered					
Classification	Total	Firm GS1	Firm No Credit	Interr Heat GS2.1	Firm_GS3 & GS3.1		Interruptible_GS3.2 & GS3.3		Street Lighting	Industrial GS4
					<500 kW	>500 kW	<500 kW	>500 kW		
12-Month Coincident Peak Demand										
December-February	\$ 3,003,100	\$ 484,450	\$ 256,668	\$ 623	\$ 282,997	\$ 350,705	\$ 7,931	\$ 31,020	\$ -	\$ 1,588,706
March-May	\$ 1,896,596	\$ 238,771	\$ 151,614	\$ 286	\$ 196,052	\$ 247,195	\$ 5,904	\$ 19,048	\$ -	\$ 1,037,727
June-August	\$ 3,726,358	\$ 530,896	\$ 281,631	\$ 71	\$ 437,374	\$ 526,986	\$ 15,871	\$ 38,346	\$ -	\$ 1,895,183
September-November	\$ 1,881,633	\$ 207,843	\$ 149,787	\$ 75	\$ 212,027	\$ 249,404	\$ 8,390	\$ 19,565	\$ -	\$ 1,034,542
Energy										
December-February	\$ 3,987,268	\$ 562,805	\$ 272,506	\$ 2,594	\$ 290,741	\$ 445,124	\$ 18,859	\$ 133,123	\$ 7,801	\$ 2,253,717
March-May	\$ 3,547,460	\$ 394,754	\$ 222,453	\$ 1,705	\$ 260,691	\$ 459,730	\$ 15,116	\$ 124,412	\$ 5,806	\$ 2,062,793
June-August	\$ 3,907,587	\$ 442,627	\$ 225,747	\$ 225	\$ 328,259	\$ 538,973	\$ 21,105	\$ 144,813	\$ 5,085	\$ 2,200,752
September-November	\$ 3,449,266	\$ 332,995	\$ 197,566	\$ 420	\$ 260,185	\$ 432,616	\$ 19,716	\$ 134,878	\$ 6,428	\$ 2,064,462
Transmission										
12-Month Coincident Peak Demand	\$ 4,696,599	\$ 641,482	\$ 377,053	\$ 490	\$ 500,101	\$ 609,863	\$ 16,826	\$ 48,163	\$ -	\$ 2,502,621
Customer Service	\$ 1,043,401	\$ 620,868	\$ 292,165	\$ 3,611	\$ 87,720	\$ 10,320	\$ 7,740	\$ 3,870	\$ 2,013	\$ 15,095
Distribution System	\$ 4,894,551	\$ 1,180,701	\$ 536,584	\$ 5,288	\$ 455,801	\$ 473,095	\$ 100,016	\$ 310,022	\$ 25,201	\$ 1,807,843
CP Demand	\$ 1,433,131	\$ 189,060	\$ 109,913	\$ 1,358	\$ 127,773	\$ 155,773	\$ 16,440	\$ 46,300	\$ -	\$ 786,513
Direct Allocation	\$ (1,851,613)									\$ (1,851,613)
Street Lighting - Direct Allocation										
Operation Expenses	\$ 89,916								\$ 89,916	
Maintenance Expenses	\$ 71,222								\$ 71,222	
Depreciation/Amortization	\$ 334,656								\$ 334,656	
Revenue Credits	\$ (30,623)								\$ (30,623)	
Reserve for Replacements	\$ 35,497								\$ 35,497	
PILOT	\$ 1,226,585	\$ 140,320	\$ 74,456	\$ 400	\$ 92,407	\$ 152,161	\$ 6,074	\$ 43,619	\$ 2,043	\$ 715,106
Total Revenue Requirements	\$ 37,342,590	\$ 5,967,569	\$ 3,148,141	\$ 17,147	\$ 3,532,129	\$ 4,651,946	\$ 259,988	\$ 1,097,178	\$ 555,043	\$ 18,113,448
Class Revenues	\$ 37,342,427	\$ 6,052,413	\$ 3,201,151	\$ 15,997	\$ 3,605,950	\$ 4,769,145	\$ 268,052	\$ 1,137,417	\$ 554,577	\$ 17,737,725
Difference (Rev. Req. Less Revenues)	\$ 164	\$ (84,844)	\$ (53,009)	\$ 1,150	\$ (73,821)	\$ (117,199)	\$ (8,064)	\$ (40,238)	\$ 466	\$ 375,723
Cost of Service Adjustment Percentage	0.0%	-1.4%	-1.7%	7.2%	-2.0%	-2.5%	-3.0%	-3.5%	0.1%	2.1%

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Fire Protection		Agreement Number: 3A.1. 4
Date of Adoption: September 28, 2010	Updated: October 31, 2022 Reaffirmed:	Effective: January 1, 2023

Subject Matter:

To enhance Public Safety by partially funding the development and maintenance of a water system designed to enable city wide fire protection.

Scope of Activity:**Water System Design:**

The MMU Water Operations Manager in collaboration with the City of Marshall's Director of Public Works will design and construct water distribution and storage facilities that permit adequate fire flows to meet industry standards. The selection of materials and appurtenances to the water distribution system will be determined by Marshall Municipal Utilities.

Ownership and Management:

The water supply, water mains, storage facilities, and the fire hydrants located on public land and right of ways in the City of Marshall shall be owned, maintained, and replaced as needed by Marshall Municipal Utilities.

Funding:

Currently, every three years, a rate analyst is engaged to perform a Water Cost of Service and Rate Design Study. In the study, the American Water Works Association's (AWWA) accounting guidelines will be applied to establish the annual allocation of costs for fire protection.

For the rate period of 2023 through 2025, the total annual cost allocated to fire protection is \$405,319 . The City of Marshall will provide the initial \$145,000 in annual funding and MMU will provide the balance of funds as needed.

Marshall Municipal Utilities Commission**City of Marshall**

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

**CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES
AGREEMENT**

ATTACHMENT A

**Fire Protection Services for
City of Marshall
Marshall, Minnesota**

The fee for providing Fire Protection Services to the City of Marshall is based on the following:

The fully allocated cost per the most recent Water Cost of Service and Rate Design Study, shared by the City of Marshall and Marshall Municipal Utilities.

Fully Allocated Cost (per Water Cost of Service and Rated Design Study, October 18, 2022)	\$405,319
Less: Marshall Municipal Utilities funding	(\$260,319)

2023 Fire Protection Services funded by the City of Marshall	\$145,000
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**Marshall Municipal Utilities - Water
Allocation of Fire Protection Costs**

Exhibit 3-D

Line No.	Item	Current Cost of Service Amounts	Allocation Percentage	Current Allocated Amount
1	<u>Annual Expense Allocation to Fire Protection:</u>			
2	Production:			
3	Operation:			
4	Salary - Operating Supervision	39,243	10%	3,924
5	Salary - Water Station Labor	290,448	2%	5,809
6	Station Supplies & Expense	16,207	5%	810
7	Power for Pumping	319,725	2%	6,395
8	Maintenance:			-
9	Water Station Maintenance	137,813	2%	2,756
10	Salary - Water Station Maintenance Labor	75,130	2%	1,503
11	Salary - Maintenance of Wells	21,879	2%	438
12	Salary - Aquifer Monitoring	15,281	2%	306
13	Maintenance of Wells	16,538	2%	331
14	Insurance	29,056	2%	581
15	Employee Welfare	144,009	2%	2,880
16	Distribution:			
17	Salary - Maintenance Supervision	-	25%	-
18	Salary - Maintenance of Hydrants	37,391	25%	9,348
19	Salary - Water Distribution Maintenance	237,082	25%	59,271
20	Maintenance of Distribution Mains	126,788	25%	31,697
21	Maintenance of Hydrants	16,538	100%	16,538
22	Maintenance of Towers & Tanks	299,000	25%	74,750
23	Equipment & Repair Expense	25,468	5%	1,273
24	Insurance	50,820	25%	12,705
25	Employee Welfare	119,930	25%	29,983
26	Customer Service & Information:			
27	Salary: Office/Customer Records & Collections	104,070	10%	10,407
28	Administrative & General:			
29	Salary: Administration	150,723	10%	15,072
30	Insurance	6,020	10%	602
31	Employees' Welfare	89,021	10%	8,902
32	Total Annual Expense	2,368,180		296,280
33	<u>Annual Capital Cost Allocable to Fire Protection:</u>			
34	Transmission & Distribution Depreciation Expense:			
35	Wells	150,272	2%	3,005
36	Transmission Mains	201,493	10%	20,149
37	Distribution Mains	844,056	10%	84,406
38	Transportation Equipment	18,752	5%	938
39	Tools & Work Equipment	10,828	5%	541
40	Total Annual Capital Cost	1,225,401		109,039
41	<u>Annual Fire Protection Costs</u>			405,319
42	<u>Present & Proposed Fire Protection Cost Recovery:</u>			
43	City of Marshall			145,000
44	Private Parties			-
45	Total Proposed Rate Revenue			145,000
46	<u>Proposed Rate Revenue Over (Under) Cost of Service:</u>			(260,319)

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Wastewater and Surface Water Management Billing and Collections		Agreement Number: 4A.1 Formerly 2A.1
Date of Adoption: December 6, 2004	Updated: September 20, 2010 Reaffirmed: October 31, 2022	Effective: January 1, 2011

Subject Matter:

Wastewater and the Surface Water Management (SWM) Utilities are operated and the rates are set by the City of Marshall. Marshall Municipal Utilities facilitates the billing and collection of these fees for the City.

Scope of Activity:

Merging Utility Bills: MMU's monthly utility bill will default to include Wastewater and SWM billing when the customer is also a customer of MMU. An MMU customer is defined as someone being billed for any utility services provided by MMU. For SWM customers not purchasing electric, water, wastewater services or other MMU utility services, a monthly SWM utility bill will be generated.

Billing - On the 1st working day of each month, MMU shall bill the prior months Wastewater and Surface Water Management (SWM) fee as it does the electric and water.

Collections – The Wastewater and SWM fee will be due and payable on the same terms as the electric and water utility bills (the 21st day of each month).

Payment Distribution - Payment will be applied proportionately to electric, water, wastewater and surface water management charges.

Penalty - If payment is not received by the due date, a penalty of 5% shall be incurred on the current billing period. This is consistent with MMU's current policy for other services billed. Any revenue collected in the application of a penalty, is retained by MMU to offset the cost to effect collection of the late payment.

Collection Remedies -

- If payment is not received by the 21st, a past due notice shall be mailed by first class presort mail to the party responsible for the bill.
- If payment is not received by the end of the last business day of the month, a notice of past due utility bill will be mailed to the customer. Electricity may be disconnected on the date as stated on notice of past due utility.
- For SWM customers who receive only a SWM bill for their parcel, any unpaid SWM fees as of September 30th each year will be deemed uncollectible and forwarded to the City of Marshall for collection under the collection remedy the City chooses to utilize.

Deposit - A customer deposit is required if a customer previously had unpaid balances with MMU for electric, water, wastewater or surface water that were turned over to our collection agency; the unpaid balance and a deposit of \$100.00 will need to be paid in full before services may begin. A customer deposit of \$100.00 will also be required each time a customer is shut off for non-payment, including limiters that are placed on the electric meters. A business will be charged twice the amount of an average monthly billing or \$100.00; whichever is greater. The customer is required to pay in full the outstanding bill, the deposit, and all other costs incurred, before MMU will reconnect service.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Non-Sufficient Funds - Collection fees on all non sufficient fund payments shall follow MMU's policy.

Change of Accounts -

- MMU shall have the authority to make appropriate changes to existing Wastewater and SWM accounts as requested by property owner. Property owner shall complete the application form.
- The City of Marshall shall be responsible to notify MMU of new additions to the City and or splits/combinations of existing parcels and any other changes to any parcel, including ownership changes for purposes of SWM billing.

Payment Arrangements -

- MMU shall work with Wastewater and SWM customers on all special payment arrangements as needed and available as with electric and water utility services.
- MMU shall offer multiple payment methods for Wastewater and SWM as with other utility services.
- If requested, all services, including Wastewater and SWM, will be calculated into a monthly budget billing.

Funding of Activity:

MMU Payment of Wastewater and SWM funds to the City - Marshall Municipal Utilities will remit customer payments collected for Wastewater and SWM on a monthly basis. In the event there is a billing correction resulting in an overpayment/ underpayment or an amount written off, the adjustment will be reflected and so noted in the monthly payment information to the City.

Fees for Service: MMU will invoice and the City of Marshall will pay for MMU to bill and collect Wastewater and SWM service fees on a monthly basis pursuant to this agreement. The amount of the invoice will be based upon 50% of the fully allocated cost (attachment A&B). It is anticipated this amount will change on an annual basis to reflect actual costs incurred by MMU; however, the allocation factors will remain fixed unless both parties mutually agree to a change.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT A

Wastewater Billing and Collections Services for City of Marshall Marshall, Minnesota

Allocation of billing/collection costs: 50% Electric, 20% Water, 20% Wastewater, 10% Surface Water

The following costs are based on 2021 actual expenses:

Staff Position	Staff Position Time spent on Billing & Collecting			WASTEWATER Percentage	Salary & Benefits
	Percentage	Annual Hours	Monthly Hours		
Customer Service Accounts Receivable	90%	1,872	156	20%	\$ 15,754
Customer Service Billing Clerk	90%	1,872	156	20%	\$ 15,633
Customer Service Supervisor	75%	1,560	130	20%	\$ 13,930
Customer Service Manager	50%	1,040	87	20%	\$ 14,690
Database Integration Specialist	50%	1,040	87	20%	\$ 10,949
Energy Services Coordinator	18%	374	31	20%	\$ 4,175
Water Foreman	10%	208	17	20%	\$ 2,699
Finance Manager	5%	104	9	20%	\$ 1,468
TOTAL					\$ 79,297

Billing/Collection Product Costs	Annual Amount	WASTEWATER Percentage	Allocated Cost
Fees: (Software, Licensing, Maintenance)	\$ 57,917	20%	\$ 11,583

Meter Reading, Maintenance, and Capitalization	Annual Amount	50/50 Split with Water	Allocated Cost
Water Meter Reader Salary (per acct #02-5-590-1-90200~2021)	\$ 7,160	50%	\$ 3,580
Water Meter Salary Maintenance (per acct #02-5-300-1-59700~2021)	\$ 8,750	50%	\$ 4,375
Water Meter Maintenance (per acct #02-5-300-2-59700~2021)	\$ 3,077	50%	\$ 1,539
Annual Depreciation of 2019 Water Meter Change-out	\$ 108,332	50%	\$ 54,166
TOTAL			\$ 63,660

General Office Expenses	Annual Amount	Split with Water and Surface Water	Allocated Cost
General Office Expenses - Water	\$ 64,828	40%	\$ 25,931

TOTAL WASTEWATER PORTION COSTS: \$ 180,471

2023 WASTEWATER FEE FOR BILLING & COLLECTIONS 50% of fully allocated costs **\$ 90,236**

Value of monthly billing and collections of Wastewater Services provided to City of Marshall

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT B

Surface Water Management Billing and Collections Services for City of Marshall Marshall, Minnesota

Allocation of billing/collection costs: 50% Electric, 20% Water, 20% Wastewater, 10% Surface Water

The following costs are based on 2021 actual expenses:

Staff Position	Staff Position Time spent on Billing & Collecting			Surface Water Percentage	Salary & Benefits
	Percentage	Annual Hours	Monthly Hours		
Customer Service Accounts Receivable	90%	1,872	156	10%	\$ 7,877
Customer Service Billing Clerk	90%	1,872	156	10%	\$ 7,816
Customer Service Supervisor	75%	1,560	130	10%	\$ 6,965
Customer Service Manager	50%	1,040	87	10%	\$ 7,345
Database Integration Specialist	50%	1,040	87	10%	\$ 5,475
Finance Manager	5%	104	9	10%	\$ 734
TOTAL					\$ 36,212

Billing/Collection Product Costs	Annual Amount	Surface Water Percentage	Allocated Cost
Fees: (Software, Licensing, Maintenance)	\$ 57,917	10%	\$ 5,792

General Office Expenses	Annual Amount	Split with Water and Surface Water	Allocated Cost
General Office Expenses - Water	\$ 64,828	10%	\$ 6,483

TOTAL SURFACE WATER PORTION COSTS:	\$ 48,486
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2023 SURFACE WATER FEE FOR BILLING & COLLECTIONS	<i>50% of fully allocated costs</i>	\$ 24,243
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Value of monthly billing and collections of Surface Water Management Services provided to City of Marshall

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Professional Engineering Services		Agreement Number: 5A.1.1
Date of Adoption: January 3, 2006	Updated: December 17, 2013 Reaffirmed: October 31, 2022	Effective: January 1, 2014

Subject Matter:

Marshall Municipal Utilities (MMU) requests to utilize the Professional Engineering Services of the City of Marshall for the design, inspection, and contract administration for various watermain and water service projects within the City of Marshall. The City of Marshall currently provides a portion of these services presently for various special assessment projects. Therefore, the City of Marshall and Marshall Municipal Utilities agree to enter into this Agreement.

Scope of Activity:

The purpose of the Agreement is to define the responsibilities of the City as to certain Professional Engineering Services for MMU and to define compensation from Marshall Municipal Utilities to the City of Marshall for said services.

The responsibilities and compensation are included in Attachment A of this Agreement and are attached hereto.

Marshall Municipal Utilities Commission

Chairperson of the Commission

Secretary of the Commission

Date: _____

City of Marshall

Mayor

City Clerk

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT A

Scope of Work for Professional Engineering Services for Marshall Municipal Utilities Marshall, Minnesota

I. Services to be Provided By the City of Marshall:

Marshall Municipal Utilities (MMU) desires to utilize the Professional Engineering Services of the City of Marshall (City) for watermain project development including Preliminary Planning and Conceptual Design, Design, Construction Inspection, and Post Construction, as outlined herein. The City and MMU will begin each project by completing a Project Authorization form that demonstrates the project has secured necessary commitment from the elected and/or appointed local officials. The Project Authorization form can be signed by the City's and MMU's management staff. Any engineering work accomplished under this agreement prior to the Project Authorization Form being completed requires the approval of MMU's General Manager or Operations Manager. It is recognized this will occur from time to time when there are joint development aspects to a project.

A. Preliminary Planning and Conceptual Design Services –

1. Basic Services

- a. Meet with MMU on a regular basis to determine the project needs for upcoming new and replacement watermain project.
- b. Provide a conceptual design or project layout for proposed projects.
- c. Revise the concept as necessary for MMU to confirm the scope of work and implementation schedule.
- d. Provide budgetary preliminary cost estimates of the concept project.

B. Design Services –

1. Basic Services

- a. Prepare plans and specifications, contract documents, and detailed estimates for the Construction projects and submit them to MMU and necessary permitting agencies for approval. Make necessary changes to the plans as required.
- b. Reproduce final plans and specifications for bidding purposes.
- c. Assist in reviewing bids, tabulation and analyses of bid results, and forward the results to MMU for their approval.

C. Construction Services –

1. Basic Services

- a. Assist MMU in execution of the Construction Documents.
- b. Conduct the pre-construction conference.
- c. Provide construction controls and verification surveys.
- d. Consult with and advise MMU during construction and act as MMU's representative as provided in the Contract Documents.
- e. Interpret plans and specifications during construction.
- f. Review required submittals to determine compliance with Contract Documents.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

- g. Construction observation and documentation including digital photography to ensure compliance with the Contract Documents and for providing an adequate construction record or “as-built” record.
- h. Review performance and laboratory test data for compliance with project specifications.
- i. Review required payroll and advise contractors of deficiencies, if any.
- j. Review and make recommendations on requests for partial payments and change orders.
- k. Conduct final inspection and recommend final acceptance and payment.

D. Post Construction Services –

- 1. Prepare project record drawings (as built)
- 2. Provide any warranty inspections required.

II. Additional Services:

The following items are not included in the basic services under this Agreement:

- 1. Registered land surveying or right-of-way services, legal descriptions, and related services.
- 2. Environmental Impact Statements.
- 3. Construction Materials Testing.
- 4. Soil Borings and geotechnical recommendations.
- 5. Structural analysis.
- 6. Transmission (trunk line) design/sizing water treatment, or water storage projects.
- 7. Any legal, bonding or administrative costs

III. Period of Services:

This Agreement commences January 1, 2011 and will renew for subsequent five-year terms unless terminated by either party. Either party may terminate this contract by giving notice of intention to terminate to the other party. Notice to be provided as follows: City of Marshall; Attention City Administrator, 344 West Main Street, Marshall, MN 56258. MMU; Attention General Manager, 113 South 4th Street, Marshall, MN 56258. Said notice shall be by Certified Mail, return receipt requested to the address as listed above. Termination and subsequent cancellation of this contract shall be effective 12 months after the date said notice is received by the other party.

IV. Compensation:

The Basic Services in this agreement will be provided to MMU by the City of Marshall for a base annual fee of \$75,000.

This base fee is based upon current projected MMU needs and is estimated on a minimum amount of \$468,750 of water distribution construction work annually. For purposes of this calculation, it will not matter if the work has been designed with the City Engineer’s services or if the City Engineer utilizes the services of a 3rd party for purposes of designing the water distribution work.

If the construction cost of watermain and associated items in any calendar year exceeds \$468,750, MMU will be billed the at the rate of 16% for projects that require full engineering services as outlined above. For projects that are mutually agreed upon to need more or less than full engineering services due to their size or complexity, the City Engineer and MMU General Manager may agree to a greater or lesser percentage.

Additional services will be provided by separate agreement and billed separately.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

V. Miscellaneous Provisions:

1. Modification. This Agreement may be modified by the parties only by written supplemental Agreement.
2. Binding Effect. The terms and conditions as set forth herein are binding upon the parties hereto, their legal representatives, successors and assigns.
3. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to the subject matter of this Agreement. There are no other understandings or agreements.
4. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
5. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same agreement.

City of Marshall & Marshall Municipal Utilities Water Project Authorization/Request Form

In accordance with the Professional Engineering Service Agreement between the City of Marshall (City) and Marshall Municipal Utilities (MMU), it is envisioned that water projects will be initiated for various reasons. The Project Authorization form is intended to serve as a document for the parties which will, to the extent possible, indicate the project scope authorized hereunder.

Project Title: _____

Project Description:

Is the project part of a larger joint project? Yes or No (circle one). If yes, who is (are) the other project participant(s)? _____ (list)

What is the non-water distribution portion of the joint project?

Phase 1: Preliminary Planning and Conceptual Design

Authorization for Water Distribution Engineering:

For MMU:

_____ Name	_____ Title	_____ Date
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If a joint project with MMU is anticipated for water distribution, then City authorization to proceed with preliminary planning and conceptual design activities for non-water distribution joint work is requested.

Authorization to proceed with preliminary planning and conceptual design for the non-water distribution joint work:

For the City:

_____ Name	_____ Title	_____ Date
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(over)

Phase 2: Design Services

If the project moves into the design phase, both parties stipulate they will continue to proceed as envisioned in the Professional Engineering Agreement and as outlined. Following design, the City Engineer will provide a final *estimate* showing the cost breakdown and item of work by each utility prior to bidding the work. Final *estimate* will be attached to this form by the City Engineer for consideration by MMU.

Following the bidding and award of contract, a *final cost breakdown* will be prepared by the City Engineer which shall be agreed upon by both parties and amended, if necessary, following project completion.

My signature attests that all public processes required by the City and/or MMU have been accomplished and that authorization has been granted by the City Council and/or the Utility Commission to complete the final design and seek bids for this public improvement.

For the City:

_____ Name	_____ Title	_____ Date
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For MMU:

_____ Name	_____ Title	_____ Date
---------------	----------------	---------------

Phase 3: Construction Services:

If the project moves from design to construction, both parties stipulate they will continue to proceed as envisioned in the Professional Engineering Agreement and as outlined. Both parties stipulate that funding for their respective items of work under the joint project have been approved and will be available for their portion of joint work in a timely manner. Abstract of bids and cost breakdown for the project shall be attached to this document, when available.

My signature attests that all public processes required by the City and /or MMU have been accomplished and that authorization has been granted by the City Council and/ or the MMU Commission to construct the public improvement.

For the City:

_____ Name	_____ Title	_____ Date
---------------	----------------	---------------

For MMU:

_____ Name	_____ Title	_____ Date
---------------	----------------	---------------

(over)

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Joint Industrial Land Development		Agreement Number: 6A.4
Date of Adoption: November 24, 2020 – City of Marshall December 15, 2020 - MMU	Updated: October 31, 2022	Effective: January 1, 2023

Subject matter:

The purpose of this agreement is to establish the understanding and conditions agreed upon to terminate the “Joint Industrial Land Development” agreement originally adopted July 18, 2007 between City of Marshall and Marshall Municipal Utilities (MMU).

Whereas, the Joint Industrial Land Development agreement between the parties originally dated July 18, 2007 and affirmed annually each year since, has resulted in the City of Marshall acquiring and developing Industrial Land with all necessary infrastructure. The two subdivisions developed by the City of Marshall are more commonly referred to as Sonstegard Addition and Commerce Park. The agreement has served the intended purpose and the parties have terminated the agreement as of January 1, 2021, and

Whereas, the Industrial zoned land in Commerce Park is now “shovel-ready” and the City of Marshall/HRA assisted by its Economic Development Authority (EDA) desire to sell the land in strategic parcels for purposes of creating jobs. In the capitalization of the construction of Commerce Park, the City of Marshall secured a BDPI grant in the amount of \$2,000,000. These funds along with \$3,022,750 from MMU and \$3,022,750 from the City of Marshall enabling the work to be accomplished, and

Whereas, during the design and execution of the multiyear project, the City and MMU agreed to accomplish the task of stormwater retention on the adjoining land now known as the Merit Center Driving Track, and while the City was considering this site for said purpose, they asked MMU if it would be in agreement to accomplish the stormwater retention on the Merit Center land rather than the Commerce Park land. The parties agreed doing so would retain the maximum amount of improved “shovel ready” Industrial land and MMU stipulated they would support the idea in return for lot 2, block 7 in Commerce Park, to be used by MMU for future municipal utilities facilities such as a solar installation or a water treatment plant or both over time. A 50-year \$1.00 option was entered into by the parties and said option was recorded. As the parties work to affect the transfer of ownership of lot 2, block 7, both MMU and the city have discovered that Minnesota Management and Budget office (MMB) has raised questions as to the compliance with state statutes that are associated with the \$2 million dollar grant awarded to the city to develop Commerce Park. Under current statute, MMU and the city would be in violation of State law if it were to proceed with the original agreement to purchase lot 2 block 7, and

Whereas, the city and MMU agree that Lot 2 Block 7 should be owned by MMU and will work together to ask for changes in current state statutes that will allow greater flexibility for economic development opportunities. Should the city and MMU succeed in creating greater control over the use of Commerce Park development, MMU asks that Lot 2 Block 7 be sold to MMU for \$1.00 as originally intended in the first Joint Industrial Land Development agreement dated July 18th, 2008. If the city and MMU cannot secure the changes needed to sell Lot 2 Block 7 to MMU for \$1.00, MMU reserves the right to purchase Lot 2 Block 7 at the appraised value.

Now Therefore Be It Resolved, The City of Marshall as developer and owner of the remaining unsold developed land within the Sonstegard and Commerce Park 2 Subdivisions will:

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

1. Assume all liability for future initial infrastructure costs, including water mains that may be incurred in future phases of work in support of the Sonstegard and Commerce Park lands including any costs expended on the Merit Center Driving Track land related to stormwater improvements.
2. Repay the State of Minnesota all or a portion of the BDPI grant funds received if in the City of Marshall's opinion, it becomes necessary to remove State of Minnesota imposed restrictions on how the land is marketed and sold.
3. Provide MMU lot 2, block 7 in Commerce Park 2, free and clear of any State or Local encumbrances.

Marshall Municipal Utilities, agrees herein:

1. To partner with the city and help promote economic development. MMU will make available to the City of Marshall \$1,000,000 held in reserve from the original Joint Land Industrial agreement established in July of 2007. This money will be used by the City of Marshall in leveraging grant money for a future Economic Development Authority (EDA) project agreed upon by both the city and MMU. After the city is finished leveraging this money to promote the project, the \$1 million dollars will be applied to any MMU utility infrastructure extension costs associated with the EDA project.
2. To transfer funds to the City of Marshall through the annual Pilot payment for support of the work of the Marshall EDA within the city limits of Marshall MN. The annual amount of said funds would be the result of multiplying the 10-year average energy sales (excluding GS-4 sales) by \$.0006 and GS-4 sales by \$.0001 which would yield \$178,551 in the current calculation. The amount will vary slightly year to year.
3. To pay \$1.00 or the appraised value for lot 2, block 7 Commerce Park. The dollar amount will be determined by the results of the city's and MMU's efforts in making state statutes more flexible in support of economic development efforts by cities and counties.

Marshall Municipal Utilities Commission

Chairperson of the Commission

Secretary of the Commission

Date: _____

City of Marshall

Mayor

City Clerk

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Marshall Municipal Utilities Capital Funding Plan		Agreement Number: 7A.1.12
Date of Adoption: November 19, 2008	Updated: October 31 2022	Effective: January 1, 2023

Subject Matter:

Two local public entities, the City of Marshall and Marshall Municipal Utilities (MMU) have the ability to utilize tax exempt bonding for capital improvements. When these entities determine a need to issue bonds, their preference is to issue bonds within the federally established bank qualified (BQ) limit.

Scope of Activity:

On an annual basis, the City Administrator and the General Manager of MMU coordinate their organization's respective capital funding needs.

The coordination of public improvements requires a joint planning effort between all local public bodies. In cooperation and with joint planning, the City of Marshall and Marshall Municipal Utilities agree to work together on the coordination of their respective capital improvements funded by municipal bonding.

Funding:

During the last quarter of the year, MMU will communicate the subsequent year's utility bonding needs to the Marshall City Council through their City Administrator. Further, Marshall Municipal Utilities agrees to engage the same Financial Advisor and Bond Counsel to streamline the joint planning between bodies. MMU does not anticipate issuing any additional Public Utility revenue bonds during 2023 for "new money" issues.

Marshall Municipal Utilities Commission

Chairperson of the Commission

Secretary of the Commission

Date: _____

City of Marshall

Mayor

City Clerk

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Fiber Optic Utilization		Agreement Number: 8A.1.12
Date of Adoption: November 19, 2008	Updated: October 31, 2022	Effective: January 1, 2023

Subject Matter:

Marshall Municipal Utilities (MMU) owns and maintains a fiber optic network as part of its electric utility. Over the years, public entities in Marshall have participated in the planning and funding of the network and have connected their buildings to the network to provide fiber connectivity. This connectivity allows greater efficiency in the planning and utilization of public Information Technology (IT) resources. While MMU owns the network, its joint utilization serves to provide a secure and robust network or Wide Area Network (WAN) within Marshall. Participants include the Lyon County Government, Marshall Public Schools, the City of Marshall and MMU. This agreement acts to do the annual planning between the City of Marshall and MMU for any planned fiber WAN improvements or expansions.

Scope of Activity:

MMU's involvement is carried out in part, pursuant to the Marshall City Charter chapter 13.01, Subd.1. In satisfaction of the provisions of the chapter, MMU herein requests, and the City of Marshall herein grants the authority and ability to own, operate, maintain, replace and enhance the fiber optic facilities. The MMU owned fiber optic facilities can use public rights of way, consistent with Chapter 13.04 Subd 5 of the City Charter.

Funding:

The City of Marshall will provide the capital to expand the fiber system if the expansion is solely for the purposes of serving a City of Marshall function and no joint use is contemplated. When there is a joint use, MMU will provide funding for the non-City portion of the project. MMU's fixed term "Dark Fiber" agreements are also an available funding mechanism the City can utilize. Repair or maintenance work done on fiber used solely by the City will be done by MMU on a time and material basis.

Future Cost:

The City does not need any new fiber infrastructure in 2023.

Marshall Municipal Utilities Commission

Chairperson of the Commission

Secretary of the Commission

Date: _____**City of Marshall**

Mayor

City Clerk

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Chloride Reduction Coordination		Agreement Number: 10A.1.8
Date of Adoption: December 17, 2013	Updated: October 31, 2022 Reaffirmed:	Effective: January 1, 2023

Subject Matter:

The Minnesota Pollution Control Agency (MPCA) has communicated to Marshall the need to comply with the new water quality-based effluent limit (WQBEL) in Marshall's National Pollutant Discharge Elimination System (NPDES) to the Redwood River. One standard is in regard to the amount of chloride that enters the river.

One of Marshall's primary sources of chloride is salt used in softening the potable (drinking) water supply. Water quality analysis from multiple samples collected over a period from January 2015 to May 2016 have indicated that the Redwood River receives an average of 11,350 pounds per day of chloride discharged from the Marshall Wastewater Treatment Facility (WWTF). Of this amount, residential, commercial and light industrial water softening systems contribute 7,330 pounds per day of chlorides. The City of Marshall's current NPDES permit contains the requirement to attain a chloride (salt) concentration limit of 261 mg/l or less by 2024.

To succeed in reducing the amount of chlorides discharged, it will be necessary for the City of Marshall's wastewater and MMU's water supply to work together in reducing the need for salt-based softening of the community water supply along with reduction in chloride discharge from industrial sources. To this end, the City adopts City Resolution No. 4430, Second Series which outlines its commitment to MMU to support the creation of a softer drinking water, copy attached.

Scope of Activity:

In 2022, the City of Marshall has fulfilled all financial obligations pursuant to Resolution 4637 funding their portion of construction costs for the Water Softening Enhancement Project.

Marshall Municipal Utilities by this agreement resolves to:

Support and share all costs incurred by the city associated with their public educational efforts to reduce chloride discharge from residential water softeners. The city will be using grant money secured in 2021 to fund all chloride education and rebate programs that are scheduled to be continued in 2023.

Marshall Municipal Utilities Commission

Chairperson of the Commission

Secretary of the Commission

Date: _____

City of Marshall

Mayor

City Clerk

Date: _____

Resolution No. 4637, Second Series
A Resolution Amending Resolution 4608, Second Series
in Support of Chloride Reduction in Water
Discharged to the Redwood River

Whereas, the City of Marshall (City) operates a wastewater treatment facility that treats the community's wastewater prior to its discharge into the Redwood River, pursuant to a National Pollutant Discharge Elimination System (NPDES) Permit issued by the Minnesota Pollution Control Agency (MPCA). The City's NPDES permit contains a chloride (salt) limitation that must be achieved by 2024. The City and Marshall Municipal Utilities (MMU) have been in discussion about methods to attain the reduction in chloride (salt) discharged into the Redwood River; and

Whereas, City and MMU have each retained the services of qualified consultants to provide analysis and recommendations regarding the most cost-efficient methods to attain compliance with the required chloride limits as set forth by the MPCA permit. That analysis has included both a review of upgrades to the existing water treatment plant and has also included a review of retrofitting the City's wastewater treatment plant; and

Whereas, the City and MMU desire to coordinate the planning between the community's water utility and its wastewater treatment facility by developing a process to lower the wastewater treatment facility's chloride discharge. Based upon the consultant's analysis, it has been determined that the most significant measure to lower the chloride is to provide softer water from MMU's Water Treatment Plant. To achieve the permit's required result, upgrades to the existing Water Treatment Plant would have to occur at an estimated cost of \$10,606,000 based upon fully designed plans by MMU's water engineering consultant, AE2S. MMU applied for a \$7,000,000 Minnesota Public Facilities Authority Point Source Implementation Grant (PSIG) and has received notice the PSIG funding will be available for upgrades to MMU's Water Treatment Plant, the "project". With the "project" fully designed and with notice of the PSIG grant, the local funding must be put in place; and

Whereas, bids for the "project" were solicited, were reviewed and were opened on July 9, 2019. MMU received bids from two (2) responsible bidders. The estimated "project" costs as set forth above have been replaced by actual bids as received. The low responsible bid exceeded the engineer's estimate and further exceeded the amount as previously approved by Council Resolution No. 4608; and

Whereas, the low responsible bid received for the "project" plus engineering costs contracted to date totaled \$11,104,492. In addition to the bid, it is recommended that a 5% contingency amount be added to "project" costs for a total "project" cost of \$11,585,492; and

Whereas, the total local funding for the "project" is now projected to be \$4,585,492 (total project costs \$11,585,492 minus PSIG grant \$7,000,000.00 = \$4,585,492).

Now Therefore Be It Resolved, that the local funding for the "project" is set forth below:

With the local funding for the "project" is projected to be \$4,585,492.00, the City commits to funding 55.74% of the local portion of the "project" costs projected to be \$2,555,953. The remaining local portion of projected funding shall be paid by MMU providing 44.26% of the local portion of funding projected to be \$2,029,539. To the extent the actual "project" costs are different than the projected total of \$11,585,492 the City and MMU will share said differences according to the stated percentages herein; and

Be it Further Resolved, the City hereby:

1. Commits to all measures required to attain NPDES Chloride compliance including the measures as outlined in the City's August 3, 2017 report prepared and submitted by their consultant, Bolton & Menk, as set forth below:
 - a. Support Marshall Municipal Utilities further softening of the community water supply quality to 5-8 grains using Lime/Soda Ash Softening to reduce Ion Exchange softening brine discharge.
 - b. Establish chloride surcharge on customers of the City of Marshall wastewater treatment facilities that have an industrial treatment agreement. Remit revenue collected from the surcharge to MMU in support of their further softening.
 - c. If it is determined by MMU to be required, authorize MMU adding chloride surcharge to the monthly utility bill for wastewater (sewer) customers invoiced by MMU. MMU is authorized to collect and retain said revenue. Currently, MMU is not contemplating the need for this type of surcharge.
 - d. Public and Industry education to reduce chlorides at the source.
 - e. Potential incentive program to set all softeners to the most efficient settings.
 - f. Set industrial limits in SIU Agreements.
 - g. Apply for MPCA Variance on chloride limit.
 - h. If all of the above measures have been implemented and chloride limits are not met; the City should, by ordinance, end the practice of Ion Exchange softening, if needed to reach final limit; and

Be it Further Resolved, the City hereby:

Approves the award by the Marshall Municipal Utilities of the "project" contract to the low bidder KHC Construction Company of Marshall, and authorizes the MMU Commission to enter into said contract, and further recognizes and commits to the City portion of local funding in the amount of \$2,555,953.

Upon vote being taken thereon, the following Council Members voted in favor:

and the following voted against the same:

whereupon the resolution was declared passed and adopted this 23 day of July, 2019.



Robert J. Byrnes, Mayor

ATTEST:



Kyle Box
Its: City Clerk

This Instrument Drafted by:
Dennis H. Simpson
Marshall City Attorney
109 S. 4th Street
Marshall, MN 56258

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: GIS Coordination		Agreement Number: 11A.4
Date of Adoption: November 7, 2017	Updated: October 31, 2022 Reaffirmed:	Effective: January 1, 2023

Subject Matter:

Geographic Information System (GIS) utilization has increasingly been deployed at Marshall Municipal Utilities (MMU) and the City of Marshall for purposes of accurately recording and preserving the record of where the public assets are located. This work is very important for accurate system planning as well as transferring knowledge as one generation retires and another takes its place. MMU has developed robust capabilities in using a software platform named ESRI and the City of Marshall wishes to migrate their current GIS data to the same platform.

Scope of Activity:

MMU herein offers to support the City of Marshall in deploying the ESRI software for the management of various facility records now maintained by the City such as signage, wastewater, and surface water management. The use of ESRI will enhance the accuracy and functionality of data dealing with location points. MMU will provide the following services:

- A. Human resources to build and maintain the desired data and records related to physical locations in a GIS format.
- B. Software, licenses, and support and hardware located within the MMU/City Network suitable for accomplishing the work.

The City and MMU will provide map information when requested to a shared file for ease of access by staff.

The fee for MMU performing the work for the City will be tracked, and the incremental cost incurred by MMU will be billed to the City. MMU estimates the annual expenses to be approximately \$24,750 and actual recorded hours will be billed out to the City. This amount will be invoiced to the City on a semi-annual basis. On an annual basis, during the Joint Partnership Meeting, the costs will be reviewed and agreed upon for the succeeding year.

Marshall Municipal Utilities Commission**City of Marshall**

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

**Marshall Municipal Utilities
City of Marshall
2023 Shared GIS Budget**

Shared GIS Budget 2023 - Software					
			MMU	City	
Area	Product / Purpose	Cost			User
ArcGIS	ESRI Enterprise Licensing	\$ 27,500	\$ 13,750	\$ 13,750.00	City (50%), MMU (50%)
	TOTAL	\$ 27,500	\$ 13,750	\$ 13,750	

Shared GIS Budget 2023 - MMU Estimated Staff Time *					
		Annual			
Area	Product / Purpose	Hours	Rate	City	User
GIS	Estimated MMU Staff Hours for:	200.00	\$ 55.00	\$ 11,000	City, MMU
	- GPS Fieldwork Collection				
	- Fieldwork Conversion to GIS				
	- GIS Database Creation				
	- GIS Database Maintenance				
	- Web and Mobile Map Creation				
	- Web an Mobile Map Maintenance				
	TOTAL			\$ 11,000	
Total Cost of GIS Software & MMU Staff Time				\$ 24,750	

* Actual hours are billed on a semi-annual basis to the City of Marshall.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Radio Frequency (RF) Coordination		Agreement Number: 12A.4
Date of Adoption: November 18, 2019	Updated: October 31, 2021 Reaffirmed:	Effective: January 1, 2023

Subject Matter:

This agreement details the uses of Federal Communication Commission (FCC) regulated Radio Frequency or RF signals used in the transmission and reception of communication for voice and non-voice use in the regular operations of work activity of the employees of the City of Marshall and the Marshall Municipal Utilities (MMU). Generally, RF used by law enforcement is not part of this agreement. FCC also licenses private telecommunication providers who place their equipment for wireless communication on public facilities such as water towers and street light poles which in Marshall are owned by MMU.

The systems and FCC licensees needed to serve this public purpose can be enhanced through good coordination between City and MMU for their use.

Scope of Activity:

1. Two-way radio communication:

The FCC license for frequency 158.805 MHz is issued to the City of Marshall and is used by both the MMU employees and the City Public Works employees in the discharge of their duties. Said license renewal has been handled by MMU in the past but is issued to the City of Marshall. Due date for License Renewal 2025.

2. GPS base station transmitter:

The City owns a GPS transmitter placed on the City owned High-rise apartment at 202 N. 1st St. The FCC license for said transmitter operated at 453.2375 Mhz. As the equipment is owned by the City any FCC licensure activity should be handled by the City. Current FCC License expires November 8, 2025. Public and private users of GPS technology use this base station for documenting and locating geospatial information.

3. Private wireless telecommunication providers.

Cell phone service in and around Marshall is provided by the private sector. Agreements between these companies and MMU allow for their equipment to be located upon the MMU owned water towers on Bruce St. and Oak St.

Beginning in 2019, Verizon Wireless started to plan and build “small-cell” equipment on street light poles owned by MMU. Verizon’s vision is to one day in the future, use this equipment as a key part of their 5G build-out. They say 5G will support the triple-play of voice-data-entertainment. The current equipment is not 5G. To facilitate the placement of the small cell equipment, MMU has entered into agreements to allow for the orderly placement and operation of said privately owned equipment.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Any revenue received by MMU for use of the Street Light poles will be shared with the City of Marshall. MMU will receive said lease payments and will remit to the City the net revenue after paying for the expenses incurred to lease said street light poles to the companies. The current estimate of net revenue is \$1,000 per pole per year but is expected to change over time. Currently, seven (7) poles are under lease to Verizon Wireless.

2023 Costs:

No costs are expected related to this RF agreement in 2023.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Water Main Development Agreement		Agreement Number: 13A.1
Date of Adoption: November 2022	Updated: Reaffirmed:	Effective: January 1, 2023

Subject Matter: Marshall Municipal Utilities (MMU) will work in partnership with the Marshall City Government to encourage economic development and stability by establishing water infrastructure development guidelines. A Water Main Development Agreement shall be established that will streamline and promote the investment of water infrastructure and help provide a clear path for any Developer wanting to invest and expand in the City of Marshall.

Scope of Activity:

- **Design:**
MMU will work with the City Engineer's Office to review and provide minimum water infrastructure requirements to any developer wanting to extend water utilities inside the city of Marshall. Once minimum water infrastructure requirements are established, MMU will then apply their future water infrastructure plans to the project. If it is determined by MMU that there needs to be changes in the size of the water main or accompanied equipment, MMU will coordinate with the developer and pay all purchase and installations costs associated with those changes.
- **Placement:**
The Developer will be responsible to install all minimum water infrastructure requirements for the building project. If any changes are required from MMU the Developer, in accordance with the Development Agreement, will coordinate with MMU and build to MMU specifications.
- **Ownership:**
All new water infrastructure installations will be owned and maintained by MMU.
- **Decision Making Process:**
The responsibility for making decisions regarding installation, repairs, replacement, inventory, and timing of the same rests with MMU's Water Operation's Manager. If needed, MMU's Water Operation's Manager will solicit input from the City Engineer's Office using prior practices as a template.
- **Funding:**
Costs associated in building to minimum water infrastructure standards will be borne by the developer. Any additional costs will be determined and borne by MMU.

When there may be grant money available for the extension of water mains and associated hardware, the City of Marshall shall provide the grant writing assistance to attempt to secure said grant funding.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

Marshall Water Area Charge Zones

