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Joint Resolution of the City of Marshall and Marshall Municipal Utilities Approving the 2020 Partnership Agreement

Whereas on Monday, November 18, 2019, Mayor Robert Byrnes, City Councilmember John DeCramer, City Administrator, Sharon Hanson, and Finance Director, Karla Drown and MMU Commissioners Cindy Verschaetse, Jeff Haukom, and Kris Carrow joined by MMU's General Manager Brad Roos, Customer Service Manager Leslie Hiskin, and Finance Manager Kevin Lee, reviewed the 2020 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 2020 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.1	Payment- In-Lieu-Of-Taxes (PILOT)	Modified Attachments
2A.1.4	Street Lighting	Modified Agreement and Attachments
3A.1.3	Fire Protection	Modified Agreement and Attachments
4A.1	Wastewater & Surface Water Management Billing & Collections	Modified Attachments
5A.1.1	Professional Engineering Services	No Change
6A.1.4	Joint Industrial Land Development	Modified Agreement
7A.1.9	MMU Capital Funding Plan	Modified Agreement
8A.1.9	Fiber Optic Utilization	Modified Agreement
9A.1.9	Information Technology Sharing	Modified Agreement and Attachments
10A.1.5	Chloride Reduction Coordination	Modified Agreement
11A.2	GIS Coordination	Modified Agreement and Attachment
12A.1	Radio Frequency (RF) Coordination	New Agreement

The City Council approved this Agreement on _____ 2019.

The MMU Commission approved this Agreement on _____ 2019.

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.1
Date of Adoption:	Updated: Reaffirmed: November 18, 2019	Effective: January 1, 2011

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 five years information. The calculation is based on a five-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 (attachment A).

Funding:

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

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

PAYMENT IN LIEU OF TAXES (PILOT) AND INDUSTRIAL LAND DEVELOPMENT PAYMENTS TO THE CITY OF MARSHALL MARSHALL, MINNESOTA

2020 Payment in Lieu of Taxes (PILOT) Calculation

<u>Audit Year</u>	<u>kWh Electric Sales</u>	
2014	591,425,915	
2015	587,485,240	
2016	572,499,415	
2017	570,043,971	
2018	573,113,094	
Total	2,894,567,635	/ 5 years =
5 Year Rolling Average kWh Electric Sales (Based on audit years 2014 through 2018)		578,913,527
Target Rate Per kWh	<u>\$</u>	<u>0.001400</u>

PILOT amount for 2020 **\$ 810,479**

2020 Industrial Land Development PILOT

Maximum Annual Industrial Land Development Payment **500,000**
(Per Joint Industrial Land Development Agreement 6A.1.1)

Maximum PILOT Payment to City of Marshall for 2020 **\$ 1,310,479**

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT B

MARSHALL MUNICIPAL UTILITIES ESTIMATED NET FUNDS AVAILABLE TO CITY OF MARSHALL

YEAR	MMU PAYMENTS			CITY OF MARSHALL COSTS		NET FUNDS AVAILABLE FOR CITY USE
	PAYMENT IN LIEU OF TAXES (PILOT)	PILOT INDUSTRIAL LAND DEVELOPMENT*	TOTAL MMU PAYMENTS	STREET LIGHTING	FIRE PROTECTION	
2014	\$ 846,022	\$ 22,821	\$ 868,843	\$ (281,172)	\$ (145,000)	\$ 442,671
2015	\$ 846,433	\$ (10,503)	\$ 835,930	\$ (281,172)	\$ (145,000)	\$ 409,758
2016	\$ 846,225	\$ 18,521	\$ 864,746	\$ (281,172)	\$ (145,000)	\$ 438,574
2017	\$ 840,349	\$ 500,000	\$ 1,340,349	\$ (241,575)	\$ (145,000)	\$ 953,774
2018	\$ 828,669	\$ 500,000	\$ 1,328,669	\$ (241,575)	\$ (145,000)	\$ 942,094
2019	\$ 819,195	\$ 500,000	\$ 1,319,195	\$ (241,575)	\$ (145,000)	\$ 932,620
2020	\$ 810,479	\$ 500,000	\$ 1,310,479	\$ (277,316)	\$ (145,000)	\$ 888,163

Historical amounts paid

Projected amounts based on 2019 activity to date

Estimated amounts for 2020 activity

* Funds received from the sale of property jointly developed by the parties will be shared with MMU and will be handled as a credit on the next PILOT calculation.

Note:

- The City and MMU will equally share the fully allocated cost of providing Street and Park lighting in Marshall.
- The costs will be established during the Electric Cost of Service and Rate Design study resulting in a rate established for a three year period.

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	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 street light 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 street lights 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: _____

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 15, 2019)	\$554,631
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City of Marshall allocation x 50%

2020 Annual Street Lighting Services funded by the City of Marshall	\$277,316
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Allocation of System Costs
Marshall Municipal Utilities - Electric

Item	Total System	Residential		Commercial			Demand Metered					Street Lighting	Industrial GS4	Standby Rate SB4
		Firm GS1	Interr GS1.1	Firm_GS2		Interr Heat GS2.1	Firm_GS3 & GS3.1		Interruptible_GS3.2 & GS3.3					
				No Credit	1% Credit		No Credit	1% Credit	No Credit	1% Credit	2% Credit			
Summary Allocated Cost Of Service:														
Cost Of Power:														
Energy	15,915,261	1,701,275	36,836	992,609	11,257	10,343	1,423,677	1,913,022	216,795	237,503	201,654	34,546	9,135,743	-
Demand	11,307,909	1,413,770	7,653	960,826	10,896	2,503	1,353,069	1,509,104	48,946	48,638	36,796	-	5,915,707	-
MRES Large Customer Incentive	(1,745,481)	-	-	-	-	-	-	-	-	-	-	-	(1,745,481)	-
Total Cost Of Power	25,477,689	3,115,045	44,489	1,953,435	22,153	12,846	2,776,746	3,422,127	265,741	286,142	238,451	34,546	13,305,969	-
Cost Of Transmission	3,799,397	470,452	2,547	319,729	3,626	833	450,253	502,176	16,288	16,185	12,244	-	2,005,064	3,265,043
Total Power Supply Cost	29,277,087	3,585,497	47,035	2,273,164	25,779	13,679	3,226,999	3,924,303	282,029	302,327	250,695	34,546	15,311,033	3,265,043
Operation Expenses	3,508,219	1,163,402	14,543	586,590	3,189	1,812	376,717	332,094	41,684	35,493	27,087	65,283	860,324	606,964
Maintenance Expenses	1,105,636	250,413	3,809	118,836	845	610	146,772	95,045	16,507	11,776	8,433	83,855	368,734	344,865
Depreciation Expenses	3,227,486	622,136	10,061	304,142	2,834	1,984	438,568	344,725	46,503	36,477	26,596	258,609	1,134,850	829,095
Amortization Of Acquisition Adjustment	23,801	4,622	78	2,249	22	16	3,277	2,655	360	290	214	919	9,099	8,489
Taxes & Tax Equivalents	1,115,414	135,306	2,930	79,251	899	826	114,250	153,519	17,398	19,060	16,183	2,749	573,044	737,712
Debt Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Income Deductions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Credits:														
Fixed (Investment) Charges	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other Income	(566,941)	(110,105)	(1,859)	(53,577)	(516)	(378)	(78,058)	(63,231)	(8,579)	(6,920)	(5,091)	(21,894)	(216,735)	(202,210)
Revenue From Late Payments	(54,600)	(33,893)	(330)	(17,549)	(36)	-	(2,218)	(270)	(210)	(60)	(30)	(6)	(0)	(0)
Miscellaneous Service Revenue	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Rent From Electric Property	(429,200)	(88,340)	(1,913)	(41,675)	(473)	(434)	(48,659)	(54,270)	(7,041)	(6,996)	(5,293)	(1,204)	(172,902)	(0)
Other Electric Revenue	(300,000)	(58,262)	(983)	(28,350)	(273)	(200)	(41,305)	(33,459)	(4,540)	(3,662)	(2,694)	(11,585)	(114,686)	(107,001)
Total Expenses Before Operating Margin	7,629,814	1,885,279	26,337	949,917	6,491	4,235	909,345	776,809	102,082	85,459	65,405	376,726	2,441,727	2,217,915
Operating Margin	1,050,000	183,150	3,092	89,120	858	629	129,842	105,179	14,271	11,510	8,468	143,359	360,521	491,791
Total Expenses Including Operating Margin	8,679,814	2,068,429	29,428	1,039,037	7,349	4,865	1,039,188	881,988	116,353	96,969	73,873	520,085	2,802,248	2,709,706
Total Revenue Requirement	37,956,901	5,653,926	76,463	3,312,202	33,128	18,544	4,266,187	4,806,291	398,382	399,296	324,568	554,631	18,113,281	5,974,749

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Fire Protection		Agreement Number: 3A.1.3
Date of Adoption: September 28, 2010	Updated: November 18, 2019	Effective: January 1, 2020

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 2020 through 2022, the total annual cost allocated to fire protection is \$348,445. 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 15, 2019)	\$348,445
Less: Marshall Municipal Utilities funding	(\$203,445)

2020 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)	(2)	(3)	(4)
1	<u>Annual Expense Allocation to Fire Protection:</u>			
2	Production:			
3	Operation:			
4	Salary - Operating Supervision	56,356	10%	5,636
5	Salary - Water Station Labor	231,385	2%	4,628
6	Station Supplies & Expense	8,065	5%	403
7	Power for Pumping	263,510	2%	5,270
8	Maintenance:			-
9	Water Station Maintenance	100,815	2%	2,016
10	Salary - Water Station Maintenance Labor	68,392	2%	1,368
11	Salary - Maintenance of Wells	16,198	2%	324
12	Salary - Aquifer Monitoring	9,336	2%	187
13	Maintenance of Wells	20,163	2%	403
14	Insurance	26,318	2%	526
15	Employee Welfare	127,222	2%	2,544
16	Distribution:			
17	Salary - Maintenance Supervision	56,468	25%	14,117
18	Salary - Maintenance of Hydrants	20,473	25%	5,118
19	Salary - Water Distribution Maintenance	114,961	25%	28,740
20	Maintenance of Distribution Mains	106,121	25%	26,530
21	Maintenance of Hydrants	5,306	100%	5,306
22	Maintenance of Towers & Tanks	299,000	25%	74,750
23	Equipment & Repair Expense	19,102	5%	955
24	Insurance	41,387	25%	10,347
25	Employee Welfare	101,463	25%	25,366
26	Customer Service & Information:			
27	Salary: Office/Customer Records & Collections	108,762	10%	10,876
28	Administrative & General:			
29	Salary: Administration	138,921	10%	13,892
30	Insurance	5,837	10%	584
31	Employees' Welfare	78,965	10%	7,897
32	Total Annual Expense	2,024,526		247,783
33	<u>Annual Capital Cost Allocable to Fire Protection:</u>			
34	Transmission & Distribution Depreciation Expense:			
35	Wells	137,700	2%	2,754
36	Transmission Mains	201,493	10%	20,149
37	Distribution Mains	752,873	10%	75,287
38	Transportation Equipment	30,796	5%	1,540
39	Tools & Work Equipment	18,620	5%	931
40	Total Annual Capital Cost	1,141,482		100,661
41	<u>Annual Fire Protection Costs</u>			348,445
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>			(203,445)

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: November 18, 2019	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

Estimated value of monthly billing and collections of Wastewater services provided to the City of Marshall.

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

The following costs are based on 2018 actual expenses:

Staff Position	Staff Position % of Time spent on Billing & Collections	WASTEWATER % of Time	Salary & Benefits	Annual Hours	Monthly Hours
Data Analyst	75%	20%	\$ 12,779	312	26.0
Customer Service Supervisor	80%	20%	\$ 17,555	333	27.7
Customer Service Accounts Receivable	95%	20%	\$ 14,322	395	32.9
Customer Service Billing Clerk	95%	20%	\$ 15,574	395	32.9
Accountant	40%	20%	\$ 9,659	166	13.9
Customer Service Manager	25%	20%	\$ 6,820	104	8.7
Finance Manager	15%	20%	\$ 4,007	62	5.2
Lead Water Distribution Operator	15%	20%	\$ 3,087	62	5.2
	TOTAL		\$ 83,803	1,830	152.5

General Office Expense (per 2018 audit)

MMU Meter Reader	100%	20%	\$ 15,780	416	34.7
Contracted Meter Reader	100%	20%	\$ 8,619	416	34.7
	TOTAL		\$ 24,399	832	69.3

General Office Expense (per 2018 audit)	100%	20%	\$ 40,196		
Fees: (Software, Licensing, Maintenance)	100%	20%	\$ 7,276		

Meter Maintenance and Capitalization

Water Meter Maintenance (per acct #02-5-300-2-59700~2018)	100%	50%	\$ 1,766		
Water Meter Capitalization (per acct #02-1-11880~2018)	100%	50%	2,797		
	TOTAL		\$ 4,563		

ESTIMATED TOTAL WASTEWATER PORTION COSTS:	\$ 160,236
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2020 WASTEWATER FEE FOR BILLING & COLLECTIONS	50% of fully allocated costs	\$ 80,119
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CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

ATTACHMENT B

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

Estimated value of monthly billing and collections of Surface Water Management services provided to the City of Marshall.

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

The following costs are based on 2018 actual expenses:

Staff Position	Staff Position % of Time spent on Billing & Collections	SURFACE WATER % of Time	Salary & Benefits	Annual Hours	Monthly Hours
Data Analyst	75%	10%	\$ 6,389	156	13.0
Customer Service Supervisor	80%	10%	8,777	166	13.9
Customer Service Accounts Receivable	95%	10%	7,161	198	16.5
Customer Service Billing Clerk	95%	10%	7,787	198	16.5
Accountant	40%	10%	4,829	83	6.9
Customer Service Manager	25%	10%	3,410	52	4.3
Finance Manager	15%	10%	2,004	31	2.6
	TOTAL		\$ 40,358	884	73.7

General Office Expense (per 2018 audit Customer Service & Info)	100%	10%	\$ 20,098
Fees: (Software, Licensing, Maintenance)	100%	10%	\$ 3,638

ESTIMATED TOTAL SURFACE WATER MANAGEMENT PORTION COSTS:	\$ 64,094
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2020 SURFACE WATER MANAGEMENT FEE FOR BILLING & COLLECTIONS	50% of fully allocated costs	\$ 32,047
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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: November 18, 2019	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 \$65,000.

This base fee is based upon current projected MMU needs and is estimated on a minimum amount of \$406,250 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 \$406,250, 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
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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
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For MMU:

_____ Name	_____ Title	_____ Date
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(over)

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Joint Industrial Land Development		Agreement Number: 6A.1.4
Date of Adoption: July 18, 2007	Updated: November 18, 2019	Effective: January 1, 2020

Subject Matter:

The purpose of the agreement is to establish the procedures that will be used to accomplish the goals as established by Marshall Municipal Utilities (MMU) resolution #54, and the City of Marshall (City) Resolution #3041, second series.

Scope of Activity:

The City of Marshall or the Marshall Economic Development Authority (EDA) acting on its behalf, will act as the developer and project manager for work that will be accomplished to acquire, develop and market land developed hereunder. Development expenses that are eligible for cost sharing under the terms of this agreement include: 1). land acquisition, surveying, abstracting, and appraisals, 2). all water main within Commerce Park, whether WAC designated or designated as distribution, said main's design and installation, 3). Wastewater collection system design and installation, including a proportionate share of the lift station and force main capital expense if required to serve the development. 4). Surface Water Management collection system design and installation, 5). Land management such as seeding, mowing and property tax, 6). Marketing, 7). Engineering for planning purposes, 8). Roadway design and installation, 9). Rough grading of development, 10). Land acquisition, design and construction of surface water treatment and/or holding ponds when construction of said holding ponds is required for the development of the Industrial land that is the subject of the Joint Development Agreement.

Expenses that are not eligible for cost sharing include design and installation of electric system, street lights, and treatment or storage of water and waste water.

Any revenue from WAC Charges on land sold in Commerce Park Subdivision will be shared equally with the City and MMU. If the developer is the City, the WAC charges may be deferred by agreement between the City and MMU until the land is sold to a third party. If the developed property is discounted for sale to a third party, the WAC charge will be discounted equally, and collected from the City when said land is sold and the WAC has been collected from the party purchasing the parcel.

Title to the property developed shall remain with the City until such time the property is sold for the intended purpose of supporting industrial expansion in Marshall. Project financing and accounting will be the responsibility of the City.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Funding:

In support of the resolutions referenced above, MMU will provide an equal amount of funding to match the funding provided by the City subject to an annual calendar limit from MMU of \$500,000. If total eligible expenditures incurred in support of the resolutions referenced above exceed \$1,000,000 in a single calendar year, the request for matching funds from MMU may be carried over to succeeding years.

A project developed under the terms of this agreement, that exceeds \$2,000,000 in scope, will require prior written approval of MMU. MMU will honor any prior project commitments made, whether the agreement is in place or is terminated pursuant to the terms of this paragraph. MMU reserves the right to modify or discontinue their annual commitment made herein, subject to a twenty-four (24) month written notice.

If the City, acting as the developer, succeeds in securing grant funding for any portion of the costs incurred under the agreement, those revenues will be used to offset the related expenditure.

As it relates to the Commerce Park Industrial land development, if at any time, the transfer of land within the development from the City of Marshall or its HRA to MMU, triggers a repayment obligation to the State of Minnesota pursuant to Mn Statute 16A.695, the City of Marshall and MMU will equally share said repayment cost. In no event will MMU portion of said repayment cost exceed fifty percent (50%) of the grant funds received for the project's development.

Any use of Tax Increment Financing (TIF) or Tax Abatement shall be at the City's, Economic Development Authority's, or Housing and Redevelopment Authority's sole discretion and use and not subject to any terms or conditions of revenue sharing under this agreement.

As the land developed by this joint action is marketed for its intended purposes, the property sales revenue so generated will be shared proportionately to the investment made, between the City and MMU. Any profit or loss on property development will be shared proportionately as well.

The funds provided by MMU hereunder will be provided as an increase in the payment in lieu of taxes (PILOT) made by MMU to the City under terms of the "Partnership Agreement", between the parties. The funds provided will be remitted as a reimbursement of funds rather than as funds provided in anticipation of project expenditure. MMU agrees to reimburse the City up to 50% of all the expenditures incurred in the acquisition, development and marketing of the industrial park land. MMU agrees to reimburse the City within 30 calendar days of submitting the request based upon the submittal of a detailed project billing invoice.

Funds received from the sale of property jointly developed by the parties will be shared with MMU and will be handled as a credit on the next PILOT calculation made at the time of the next "Partnership" agreement. Revenue realized from renting the land for farming purposes will be used to offset the total development costs.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

The City of Marshall herein conveys by option granted and recorded on June 25, 2019 land in Commerce Park described as Lot Two (2) Block seven (7), Commerce Park Industrial Park Addition to the City of Marshall, Lyon County, Minnesota. In addition, a second lot has been transferred described as Lot 1; Block 2 of Sonstegard Subdivision I. MMU shall remit one dollar and other consideration to the City of Marshall for the two lots. The lots will not be assessed for any improvements made pursuant to this agreement.

In the event the City of Marshall changes the use of the land developed hereunder, whether by zoning change or accommodation, causing the initial use of the land to no longer be used to support industrial purposes, the City of Marshall shall reimburse Marshall Municipal Utilities for the proportionate share of the development costs expended. It is agreed that using the land for purposes of development and expansion of the Merit Center Training Facilities, is a non-industrial and non-complying use, pursuant to the terms and conditions of this agreement.

Prior expenditures made by either party may be considered a project expense by agreement. An example of such expenditure is the investment made by Marshall Municipal Utilities to upsize the surface water collection system infrastructure during the construction of the Marshall Municipal Utilities warehouse on Lake Street in 2006.

The City will present a report showing revenues and expenses for the prior year, current year-to-date expenditures, and projected future estimates in support of this joint development agreement.

Revisions to the agreement will be utilized retroactively to October 15, 2007, the date the City of Marshall adopted Resolution 3041, except those revisions made this date related to the WAC water main, which shall apply to the Commerce Park development

This joint agreement initially adopted July 18, 2007, between the City of Marshall and the Marshall Municipal Utilities Commission is hereby amended and restated.

Marshall Municipal Utilities Commission

City of Marshall

Chairman of the Commission

Mayor

Secretary of the Commission

City Clerk

Date

Date

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Marshall Municipal Utilities Capital Funding Plan		Agreement Number: 7A.1.9
Date of Adoption: November 19, 2008	Updated: November 18, 2019	Effective: January 1, 2020

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 stream line the joint planning between bodies. MMU does not anticipate issuing any additional Public Utility revenue bonds during 2020 for "new money" issues.

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: Fiber Optic Utilization		Agreement Number: 8A.1.9
Date of Adoption: November 19, 2008	Updated: November 18, 2019	Effective: January 1, 2020

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.

Future Cost:

No fiber additions are planned for 2020.

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: Information Technology Sharing		Agreement Number: 9A.1.9
Date of Adoption: November 19, 2008	Updated: November 18, 2019	Effective: January 1, 2020

Subject Matter:

The City of Marshall (COM) and Marshall Municipal Utilities (MMU), referred to as the parties, share hardware, software, electronic files and consulting services in the execution of their respective work in Information Technology (IT). The City has decided to separate and establish their own IT system to serve their needs during 2020 and beyond.

Scope of Activity:

The City will hire an IT consulting firm to create a transition plan for separation from MMU. The Plan will enable the City to use their IT consulting firm to purchase equipment and implement needed changes to create their own IT system. All costs associated with this transition will be determined and paid for by the City. The physical space to locate the new City IT system would eventually be in a City Hall IT room; however, until then, it could be located in MMU's IT server room.

Until the transition is completed the parties will continue to share hardware and associated operating costs as appropriate.

The **Hardware** that is currently shared is noted in Table 1 which is attached to this Agreement. This hardware is primarily located in Marshall Municipal Utilities' server room. The hardware utilizes the fiber optic system owned and operated by MMU for the benefit of the City of Marshall and MMU. If the hardware is in an alternate location, it is so indicated. The **Annual Operating Costs** that are shared are noted in Table 2 also attached to this Agreement.

Funding:

Beginning in 2020, the parties will purchase and pay for their own respective IT hardware, software, and services. Operating costs incurred for the continued IT system until full separation will be funded by both parties as appropriate.

MMU agrees to:

- 1) Recognize the City's decision to create their own IT system; and therefore will not proceed with any further shared Capital work as described in Table 2. Operating costs to maintain the current system would still be share by both parties respectively until full separation.
- 2) Work with the City's consulting firm(s) to develop a plan that provides a seamless transition to the extent possible for both parties. If there is City IT equipment located at MMU that serves the City exclusively, those would be given to the City.

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

City of Marshall agrees to:

- 1) Develop a mutually agreed upon transition plan between the COM and MMU.
- 2) Pay their share of operating costs of the shared system until such time as any or all the shared system is no longer used by the City.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

Date: _____

Table 1: Network Devices and Servers

NETWORK DEVICES	
Device Name	Function
Fiber Converter	Fiber Converter
Trendnet 8port switch	
Rugged Switch RS900	
Cisco 3400EG	
APC Rack PDU	
MITEL 3300 Cxi Controller	VOIP telephone communications
iboss	internet filtering and bandwidth monitoring.
Cisco ASA 5516-X	Border firewall
Catalyst 4510R+E	switch for routing of network communications.
24 Port Patch Panel	
Cisco ASA 5505	SCADA Firewall
Cisco ASA 5512-X	Gatway Firewall
Rugged Router RX1100	CGR router
Linksys SRW2016	fiber sfp module running into it
Cisco Catalyst 2960-X	SCADA Switch
Netapp FAS2240	Onsite SAN storage
NetApp E2812	Offsite SAN Storage (highschool)
NetApp 2520	Offsite SAN Storage Watertown)
Cisco Catalyst 9200	2nd ISP thru MNIT (SMSU)

SERVERS				
Server Name	Operating System	Purpose	Owner	Type
CITY1OFF	Windows Server 2008 R2 Enterprise	RtVision	City	Virtual
CMMUSRCS	Windows Server 2012 R2 Standard	SQL Only	City	Virtual
CMMUSRTG	Windows Server 2012 R2 Standard	City CAMAvision	City	Virtual
CMMUWKIN	Windows 7		City	Virtual
COMMAINC0DE	Windows Server 2016 Standard	City InCode	City	Virtual
COMMASQL	Windows Server 2016 Standard	City SQL	City	Virtual
COMPW1	Windows Server 2012 Standard	PermitWorks	City	Virtual
MUCMSRMADB1	Windows Server 2016 Standard	SQL Only	City	Virtual
MMUACHPC01	Windows 7	Accounting PC	MMU	Virtual
MUMOSRFT	Windows Server 2012 R2 Standard	FTP Server	MMU	Virtual
MUMOSRNT	Windows Server 2012 R2 Standard	netTerrain	MMU	Virtual
PNWSQL	Windows Server 2008 R2 Standard	Incode	MMU	Virtual
SARCH1	Windows Server 2008 R2 Standard	Survalent	MMU	Virtual
HOSTA		SCADA Host	MMU	Physical
HOSTB		SCADA Host	MMU	Physical
FIRESIGHT	Linux	Web Filtering	Shared	Virtual
MMUDCBK01	Windows Server 2012 R2 Standard	Veeam	Shared	Virtual
MMUMADC01	Windows Server 2016 Standard	Domain Controller	Shared	Virtual
MMUMADC02	Windows Server 2016 Standard	Domain Controller	Shared	Virtual
MMUMAOM01	Windows Server 2016 Standard	OM	Shared	Physical
MMUMAVCSA	VMware vCenter 6.7	vCenter	Shared	Virtual
MMUMAVI01	VMware ESXi 6.7.0	vSphere	Shared	Physical
MMUMAVI02	VMware ESXi 6.7.0	vSphere	Shared	Physical
MUMOSRAV	Windows Server 2012 R2 Standard	Symantec Management	Shared	Virtual
MUMOSRG1	Windows Server 2012 R2 Standard	ArcGIS	Shared	Virtual
MUMOSRGI	Windows Server 2012 Standard	ArcGIS	Shared	Virtual
MUMOSRMA	Windows Server 2012 R2 Standard	GFI Archiver	Shared	Virtual
MUMOSRSP	Windows Server 2008 R2 Standard	Kiwi Syslog	Shared	Virtual
MUMOSRWB	Windows Server 2012 Standard	AAD Connect	Shared	Virtual
NTP Server	Linux	Linux	Shared	Virtual
PNWDC01	Windows Server 2008 Standard	DC / File Server	Shared	Virtual
PNWDC02	Windows Server 2008 Standard	DC / File Server	Shared	Virtual
PNWEXC10	Windows Server 2008 R2 Enterprise	Exchange 2010	Shared	Virtual
PNWSBG	Linux	Symantec Messaging Gateway	Shared	Virtual
PNWSR1	Windows Server 2008 R2 Standard	Laserfisch	Shared	Virtual
PWMUSRNV	Linux	Mitel	Shared	Virtual

Table 2: Capital and Operating Costs

CAPITAL BUDGET:				
2019 TASK	2019 TAP AMOUNT	%	2019 COM	2019 MMU
Create new LAN design for improved City/MMU segmentation	\$ 12,800	50/50	\$ 6,400	\$ 6,400
Update LAN with new design	\$ 12,300	50/50	\$ 6,150	\$ 6,150
Add new server host capacity	\$ 68,500	50/50	\$ 34,250	\$ 34,250
Create new Active Directory for MMU	\$ 6,400	100% MMU	\$ -	\$ 6,400
Create new Active Directory for City	\$ 9,900	100% COM	\$ 9,900	\$ -
Update Windows 7 and Windows 2008	\$ 60,850	50/50	\$ 30,425	\$ 30,425
	TOTAL \$	170,750	\$ 87,125	\$ 83,625

2020 TASK	2020 TAP AMOUNT	%	2020 COM	2020 MMU
Lifecycle & Redesign of Perimeter Security	\$ 46,000	100% MMU	\$ -	\$ 46,000
Migrate to new IP and VLAN design	\$ 18,500	20% MMU; 80% COM	\$ 14,800	\$ 3,700
Replace primary data storage system	\$ 112,000	50/50	\$ 56,000	\$ 56,000
Separate shared systems	\$ 7,500	50/50	\$ 3,750	\$ 3,750
Establish MMU Office 365 Tenancy	\$ 2,000	100% MMU	\$ -	\$ 2,000
Establish City Office 365 Tenancy	\$ 2,000	100% COM	\$ 2,000	\$ -
Migrate MMU email and user file storage to O365	\$ 24,900	100% MMU		\$ 24,900
Migrate City email and user file storage to O365	\$ 24,900	100% COM	\$ 24,900	\$ -
Decommission on-premises email system	\$ 3,500	50/50	\$ 1,750	\$ 1,750
Lifecycle replacement of APC Symmetra batteries	\$ 7,400	50/50	\$ 3,700	\$ 3,700
	TOTAL \$	248,700	\$ 106,900	\$ 141,800

OPERATING BUDGET:				
2020 RSM CONTRACT	AMOUNT	%	2020 COM	2020 MMU
Remediation	\$ 60,480	50/50	\$ 30,240	\$ 30,240
Monitoring	\$ 6,300	50/50	\$ 3,150	\$ 3,150
Patch Management	\$ 21,552	50/50	\$ 10,776	\$ 10,776
Active Directory	\$ 2,700	based on users	\$ 2,250	\$ 450
Sophos	\$ 4,320	based on users	\$ 1,872	\$ 2,448
Duo	\$ 2,100	based on users	\$ 1,020	\$ 1,080
	TOTAL \$	97,452	\$ 49,308	\$ 48,144

2020 FEES/LICENSING	AMOUNT	%	2020 COM	2020 MMU
Penetration Testing	\$ 31,000	50/50	\$ 15,500	\$ 15,500
VEEAM	\$ 3,500	50/50	\$ 1,750	\$ 1,750
IBOSS	\$ 4,800	50/50	\$ 2,400	\$ 2,400
Laserfiche	\$ 13,900	based on user	\$ 4,798	\$ 3,600
Cisco HW/SW total care	\$ 12,200	50/50	\$ 6,100	\$ 6,100
Mitel Software	\$ 5,200	50/50	\$ 2,600	\$ 2,600
APC Symetra	\$ 2,100	50/50	\$ 1,050	\$ 1,050
Net App Support (3 yrs.)	\$ 11,500	50/50	\$ 5,750	\$ 5,750
2nd ISP	\$ 6,048	50/50	\$ 3,024	\$ 3,024
	TOTAL \$	84,746	\$ 42,972	\$ 41,774
TOTAL 2019-2020				
Capital and Operating		\$ 601,648	\$ 286,305	\$ 315,343

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

Agreement Title: Chloride Reduction Coordination		Agreement Number: 10A.1.5
Date of Adoption: December 17, 2013	Updated: November 18, 2019	Effective: January 1, 2020

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:

The City of Marshall pursuant to Resolution 4637, funds their portion of the construction of the Water Softening Enhancement Project. The City stands ready to provide their portion of the capital to construct the improvements up to the limit of \$2,555,953, which sum is inclusive of the design funds previously provided by the City.

Marshall Municipal Utilities by this agreement resolves to:

Accept and Use PSIG grant funding in the amount of \$7,000,000 and provide \$2,029,539 in MMU funding for the construction of said improvement. Current total project costs are estimated to be \$11,585,492.

Marshall Municipal Utilities Commission

City of Marshall

Chairperson of the Commission

Mayor

Secretary of the Commission

City Clerk

Date: _____

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.2
Date of Adoption: November 7, 2017	Updated: November 18, 2019	Effective: January 1, 2020

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 \$16,517. This amount will be invoiced to the City on a monthly 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
2020 Shared GIS Budget**

Shared GIS Budget 2020 - Software

			MMU	City	
Area	Product / Purpose	Cost			User
ArcGIS	ESRI Enterprise Licensing	\$ 21,500	\$ 14,333	\$ 7,166.67	City (1/3), MMU (2/3)
Microsoft SQL	Microsoft SQL	\$ 5,500	\$ 2,750	\$ 2,750	City, MMU
	TOTAL	\$ 27,000	\$ 17,083	\$ 9,917	

Shared GIS Budget 2020 - MMU Estimated Staff Time

		Annual			
Area	Product / Purpose	Hours	Rate	City	User
GIS	Estimated MMU Staff Hours for:	120.00	\$ 55.00	\$ 6,600	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			\$ 6,600	
Total Cost of GIS Software & MMU Staff Time				\$ 16,517	

CITY OF MARSHALL AND MARSHALL MUNICIPAL UTILITIES AGREEMENT

Agreement Title: Radio Frequency (RF) Coordination		Agreement Number: 12A.1
Date of Adoption: November 18, 2019	Updated:	Effective: January 1, 2020

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. Currently MMU is experiencing some intermittent lack of service on the shared 158.805 system which uses a repeater located on the Oak St. Water Tower

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. The current license is set to expire February 11, 2021. MMU herein request permission to apply for modification to this license relocating the repeater to the MnDOT Marshall site RF Tower to mitigate the intermittency issue.

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.

2020 Costs:

MMU is experiencing intermittent lapse of service when the Oak Street transmitter at 158.805. We have tried unsuccessfully to locate the source of the interference. MMU proposes to relocate the transmitter and repeater in 2020 to the MnDOT tower located on the Marshall MnDOT office site. The cost to do this is estimated to be \$18,000. MMU and the City both use this frequency with their field service personnel. MMU and the City will evenly split the cost of the project.

Marshall Municipal Utilities Commission

Chairperson of the Commission

Secretary of the Commission

Date: _____

City of Marshall

Mayor

City Clerk

Date: _____