

MINUTES OF THE PROCEEDINGS OF THE SPECIAL JOINT  
MEETING OF THE CITY COUNCIL AND THE UTILITIES COMMISSION  
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA  
SEPTEMBER 9, 2013

Pursuant to due call and notice thereof, a special joint meeting of the City Council and the Utilities Commission of the City of Fosston, Polk County Minnesota was held in Council Chambers on Monday, September 9, 2013 at 5:00 p.m.

The meeting was called to order by Chairman Lofstrand and Mayor Offerdahl. The following members were present: Aspen, Omundson, Offerdahl. Council: Veum, Lambert, Dufault and Carlson.

Also present: Darryl Tveitbakk, Dalene Mosebrotten, Dean Vikan, Dave Larson, Chuck Lucken, Laurel Skala.

Chairman Lofstrand introduced Darryl Tveitbakk, General Manager of the Northern Municipal Power Agency and informed those present that the purpose of this meeting is to consider the extension of our Power Sales Agreement with the Northern Municipal Power Agency to 2055.

Darryl and Dalene gave a power point presentation on the history of the Northern Municipal Power Agency, its relationship with Minnkota and the 12 cities that are part of the NMPA. As explained, cities were too small to negotiate economical, long-term power supply agreements on their own so a joint action created a single, larger organization. NMPA's mission is to provide long-term reliable, competitively priced power supply; to own generation and transmission assets for the benefit of participants and to be responsible for providing current and future needs of participants. NMPA purchased Minnkota's 30% share of the Coyote Station in 1981. It also purchased the Coyote Transmission Project and a "load ratio" share of the Minnkota Transmission System.

The Power Sales Agreement that is in place is good until 2031. NMPA is looking to extend contracts out to 2055 as it gives us secure, long term, competitively priced future power supply; allows the joint system to do long range planning; allows NMPA to secure financing in the future and amortize appropriately.

Concerns about our current rates compared to other companies that have lower rates than Fosston was discussed. Our rates were very low for years but still remain competitive. Many competitors have not yet met regulatory or environmental requirements as we have. So, their rates can be expected to increase when they do the necessary wind and environmental upgrades.

The biggest advantage of being part of the joining system is the long term security at a competitive rate and known transmission costs. NMPA works hard to keep the rates down and the communities are owners in this. NMPA is continually working to keep the grid reliable.

There being no further business to come before the council or the commission the meeting was adjourned at 6:13 p.m.

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Charles Lucken, City Administrator