# Range Association of Municipalities & SchoolsBoard Meeting MinutesThursday, November 21, 2019 – 6:00 P.M.Northeast Service Cooperative

**Call to Order**

President Pat Medure called the meeting to order at 6:00 P.M.

**Roll Call of Board**

Present: Pat Medure (ISD 318-Grand Rapids); Charlie Baribeau (City of Virginia); Cyndi Worshek (ISD 2711-Mesabi East); Gregg Allen (Supts Association); Glenn Anderson (City of Babbitt); Bob Berrini (Morse Township); Dale Christy (City of Grand Rapids); Barb Kalmi (ISD 319-Nashwauk/Keewatin); Stu Lehman (City of Buhl); David Pace (Supts Assn); Ron Pittman (Cherry Township); Al Stanaway (City of Mt Iron); Warren Stolp (Nashwauk Township); Dave Worshek (City of Aurora); Jim Varda (City of Chisholm

Absent: McDavitt Township; City of Hibbing; City of Ely; Great Scott Township; ISD 696-Ely; ISD 701-Hibbing; City of Nashwauk; City of Silver Bay; ISD 706-Virginia

Also Present: Steve Giorgi, Executive Director; Lois Roskoski, Administrative Assistant; Frank Frederickson, Minnesota Power

**Review and Approve Agenda**

Moved by Varda and supported by C. Worshek to approve the agenda, as presented. Motion carried.

**Approve Meeting Minutes**

Moved by Kalmi and supported by Varda to approve the minutes from the Regular Meeting held October 24, 2019. Motion carried.

**Appearance**

Frank Fredrickson, Vice President, Customer Experience, was present to discuss Minnesota Power’s rate review and recommended rate increase. Mr. Fredrickson highlighted the following information on the proposed rate increase.

* Why file a rate review:
* Rate requests must be filed with the MN Public Utilities Commission to change customer rates. The last rate increase was done in 2016 and it takes 10-18 months before the MPUC makes a decision.
* Continuing to deliver Energy Forward.
* Changing customer sales and changing assets.
* Timeline: Rate increase request will be filed in November, 2019. The First MPUC hearing will be held in December, 2019. Interim rate will set in January, 2010. Final rate request would be completed in 2021.
* Minnesota Power has reduced operations and maintenance expenses by 20 percent reduction from 2014 to 2019.
* Minnesota Power’s staffing has been reduced by 25 percent since 2014, which affected 300 employees on the Iron Range.
* Their Minnesota policy includes cleaner energy. They have seen a reduction in coal by 33 percent over the last decade and over 90 percent of mercury emissions are out of the power supply now.
* Rates have increased 1.8 percent over last 10 years.
* Renewable generation increased from 5 percent in 2005 and to 50 percent in 2021.
* Minnesota Power has the lowest residential rate in Minnesota, compared to other providers. They also offer a low income discount for residents under $30,000 of income. Industrial rates are below the national average.
* Proposed increase:
* Proposed Interim rate increase of 7.7%, effective January 1, 2020, while the case goes through the hearing process. MPUC will rule on interim rate on December 5, 2019.
* Proposed Final Residential Rate increase of 15 percent. (Average resident will see a $12 per month increase.)
* Proposed Final Business Rate increase of 10.4 percent.
* Mining operations account for approximately half of energy sales.
* It is normal process to recover costs of operating the business.
* Mandate to save energy has beat the state goal every year.
* Minnesota Power welcomes comments.
* Updates are available on their website: mnpower.com/ratereview.

Director Giorgi thanked Mr. Frederickson for the information and noted that Minnesota Power invests in the region and communities. Jodie McKarski stated Minnesota Power is the largest donor to the United Way. Director Giorgi stated RAMS could consider adopting a resolution to support the Minnesota Power rate increase, as it goes through the process.

**Director’s Report**

Director Giorgi highlighted the following information from his Director’s Report for the month of November, 2019:

* Met with Steve Hill, SBCA (Satellite Broadcasting Communications Association) and Jon Loeffen, NESC Broadband Director. . The services offered by SBCA could be a viable alternative for remote locations , at a cost of $300 for equipment and $75/month for 25 down/3 up service.
* Met with NEO Partners, who developed a software system to provide a cost analysis for broadband projects, at a cost of 40 cents per home.
* Attended a Greenwood Township meeting, who decided to join RAMS. Residents in Greenwood Township are frustrated with Frontier, their internet provider.
* Met with Aitkin County to discuss middle mile fiber project. Itasca County would benefit greatly by providing an extension through Aitkin County to the 511 building in St. Paul, as there would be no limit on service if they could get the extension.
* Attended the IASC Career Pathways kickoff in Grand Rapids to hear a presentation on the value of this new educational format.

**Old Business**

1. Executive Board Nominations – reminder/update.

Director Giorgi reminded the board members to submit their nomination form if their term ends on December 31st. Currently, twelve nominations are been submitted. Each member group attending the Annual Meeting will receive a ballot and get one vote. There will be eleven vacancies on the RAMS Board, plus one seat from the Superintendents Association.

b. Annual Meeting – update.

Director Giorgi received confirmation that Governor Walz will be speaking at the Annual Meeting on December 19th.

**New Business**

1. St Louis County Resolution on the study for Rainy River Watershed.

Director Giorgi reviewed information from St. Louis County on a request by Commissioner Nelson to consider a resolution opposing federal legislation that would impact mining lease exploration within the Superior National Forest. The St. Louis County Board will take action on the request at their December meeting. RAMS has previously sent letters to legislators on this issue.

b. Recap of the mental health committee meeting.

Director Giorgi met with the Mental Health Committee to determine how to approach the mental health issue. The committee would like to meet with Kim Stokes, who has been working on this topic for a number of years. It is anticipated that a meeting will be held in January.

**Board Member Updates**

Warren Stolp provided an update on Nashwauk Township and stated they have raised $20,000 so far on their park/playground project. They are hoping to have enough funds to move forward with the project next year.

Jim Varda provided an update on the City of Chisholm. The Chisholm Fire Department has been meeting monthly with other fire departments in the areas on the possibility of making a coalition with one full time employee, so all departments can keep their identity. Chisholm is also working on plans for a new arena and public safety building.

**Finance Committee Report:**

Cyndi Worshek reported on the Finance Committee Meeting held November 21, 2019:

Moved by Varda and supported by Christy to approve the expenditures for the period October 24 – November 20, 2019, in the total amount of $14,854.75. Motion carried.

Moved by Kalmi and supported by Lehman to approve the Profit & Loss Budget vs. Actual Report through November 29, 2019, with expenditures at 86.9 percent of the budgeted amount. Motion carried.

Moved by Pittman and supported by Stolp to accept the Balance Sheet as of November 20, 2019. Motion carried.

**Other:**

Jeff Anderson, Costin Group, stated they have met with Clean Water Council to discuss a grant. Gary Cerkvenik will provide an update at the RAMS Annual meeting.

Superintendent David Pace discussed possible legislation that could benefit school cooperatives, joint powers boards and provide them with an opportunity to levy through member districts for specific operating costs.

Charlie Baribeau stated UMD and NRRI are moving forward with their process to reduce the sulfates from the Virginia Wastewater Treatment Plant. Costs are less than anticipated and funding is available for the process.

Director Giorgi stated the Ely Joint Powers Group will be holding a luncheon on December 2nd in Ely with the legislations and some members of RAMS will be attending.

Glenn Anderson and Dale Christy volunteered to serve on the Elections Committee for the election to be held during the RAMS Annual Meeting on December 19, 2019.

**Next Meeting**

The next RAMS Board meeting will be held during the Annual Meeting on December 19, 2019, at the Mt. Iron Community Center. A RAMS Finance Committee meeting will be scheduled in December.

**Adjournment**

Meeting adjourned at 7:15 P.M.