



**MSD RATE COMMISSION
2nd Pre-Proceeding Meeting**

November 28, 2017

The MSD Rate Commission met at District Headquarters on Tuesday, November 28, 2017 at approximately 3:00 p.m.

Tim Snoke, Secretary-Treasurer of The District, called roll. All Commissioners except Commissioners Jones and Hawes were present.

The first item on the agenda was the Oath of Office. All new and reappointed Commissioners read and signed the Oath of Office.

Next, the Commissioners unanimously approved the minutes from the October 5, 2017 meeting.

Next, Marion Gee, Director of Finance of the District, updated the Commission on the planned February delivery date for the Rate Proposal.

The fourth item on the agenda was a recommendation from The Technical Committee to approve Lashly & Baer as the Commission's legal consultant for the proceedings, conditional on an interview that satisfies the Commission that Lashly & Baer can provide independent advice and is free from conflicts of interest. Commissioner Palans made the motion, Commissioner Schoedel seconded and motion passed by unanimous vote.

The fifth item on the agenda was a recommendation from The Technical Committee to approve Black & Veatch as the Commission's rate consultant for the proceedings, conditional on an interview that satisfies the Commission that Black & Veatch can provide independent advice and is free from conflicts of interest. Commissioner Mahfood made the motion, Commissioner Goss seconded and motion passed. Commissioner Ratzki abstained.



The sixth item on the agenda was a recommendation from The Public Relations Committee to approve negotiations with The Vandiver Group for an advertising and public engagement services contract. Commissioner Brockmann explained that Vandiver's proposal came in over the Commission's budget for the services, but that additional savings are expected from negotiated advertising rates that were previously handled by the legal consultant. Vandiver's proposal also included five public hearings and a web meeting instead of the nine public meeting that were held during the 2015 proceedings. There is a set unit cost for adding additional meetings. It was noted that the public hearings have not been well attended. Members of the Committee addressed questions as asked by the Commission. Commissioner Palans seconded Commissioner Brockmann's motion and the motion was approved unanimously.

Next, there was a brief discussion about a review of Rate Commission rules and procedures. The review should be led by legal counsel and it was requested that this matter be placed on the agenda for the next meeting. It was also confirmed that officers should be elected at the next meeting. Commissioner Palans suggested that The District provide an explanation of how the rate proposal will impact the MSD's ability to comply with the Consent Decree with any Rate Proposal. Commissioner Toenjes suggested that would fit well with the requirement that The District demonstrate and explain to what extent the Rate Proposal is necessary to enable the District to comply with applicable Federal or State laws or regulations, as required by the Charter.

The next meeting is tentatively scheduled for January 9, 2018 at 3:00 PM.

Meeting adjourned at approximately 3:55 p.m.