

**MINUTES OF THE DELANO WATER, LIGHT AND POWER COMMISSION
CITY OF DELANO, COUNTY OF WRIGHT, STATE OF MINNESOTA
WITH ALL ACCOUNTS BEING AUDITED BY SAID COMMISSION
SPECIAL MEETING
January 17, 2008**

1. CALL TO ORDER

The meeting was called to order by Chairman Larry Bartels.

2. ROLL CALL

Roll call was taken and a quorum established.

Members Present: Larry Bartels, Chairman
 Sam Nelson, Secretary
 Bob Hutter, Commissioner
 Tim Falde, Commissioner
 Randy Keranen, Commissioner

Also Present: Hal Becker, General Manager
 Bob Stroud, Recorder

3. AGENDA

Review and Discuss Rates and Fees for the Electric and Water Departments

In a review of the budget for fiscal year 2008 and rates proposed by the Springsted study Hal Becker explained to the Commission declining sales in permits had adversely affected the original proposed rates and that without additions to those proposed rates, the financial status for 2008 would result in negative numbers to the budget. He also recommended increasing the electric rate and lowering the power cost adjustment to help the customers' recognize a more stabilized billing. When questioned by the Commission of the benefit of reorganizing the rate structure Hal Becker said the net affect would be zero to the monetary end but better understanding by the consumer would result in better public relations. A comparison of surrounding communities for the water rate structure was presented. Hal Becker said many of those in the comparison do not include any credit toward the use of water in the customer charge. Delano Municipal Utilities currently allows three thousand gallons in the \$8.00 minimum charge. A recommendation was made to add a customer charge to the Water Department and begin charges for the water with the first 1,000 gallons of usage.

Motion by Randy Keranen and seconded by Larry Bartels to increase the base calculations for electric by three cents and lower the power cost adjustment by three cents, increasing the electric rate to 10.22 cents per kilowatt hour for residential and commercial customers' and .07029 for industrial customers with a demand charge of \$5.56 per kilowatt hour and a minimum of \$138.92, and continuing the original five percent increase to all electric rates annually as proposed in the original study by Springsted.

Motion Carried

Motion by Tim Falde and seconded by Bob Hutter to approve the five percent increase to electric fees.

Motion Carried

Motion by Sam Nelson and seconded by Tim Falde to increase the water to \$3.93 per thousand gallons with billing to apply to the first thousand gallons of usage and \$3.93 for each thousand gallons thereafter, and adding a customer charge to each customers' bill for the water department at the rates of \$8.00 for residential, \$12.00 for commercial and \$24.00 for industrial customers, and continuing the original five percent increase to all water rates annually as proposed in the original study by Springsted.

Motion Carried

Motion by Larry Bartels and seconded by Bob Hutter to increase the water fees by five percent.

Motion Carried

5. ADJOURNMENT

There being no further business before the Commission, the meeting was adjourned.