

**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
Monday, April 19th, 2010**

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 Bob Hutter, Commissioner Jonathan Ness, Commissioner Randy Keranen, Commissioner Joseph Johnson, Commissioner
Also Present:	Hal Becker, General Manager Aimee Dreger, Recorder

3. AGENDA

There was a motion made by Randy Keranen with a second Bob Hutter to approve the agenda with the addition of brief update on projects completed by utilities, an addition of 9B Geothermal heating project, and an update on the work on Elm Ave.

Motion Carried

4. MINUTES

A. There was a motion by Randy Keranen with a second by Larry Bartels to approve the minutes of the regular meeting conducted on March 15th, 2010.

Motion Carried

B. There was a motion by Jonathan Ness with a second by Bob Hutter to approve the minutes of the Special meeting conducted on April 8th, 2010 with change made on item number seven.

Motion Carried

5. POWER COST ADJUSTMENT

There was a motion made by Jonathan Ness with a second by Larry Bartels to approve the power cost adjustment for bills due April 27th, 2010 at negative .01246.

Motion Carried

6. FINANCIALS

This month we received a check for a certificate of deposit from the bank in Maryland that has closed. We have also added a summary of the overall financials in a one page format to summarize revenue and expenses.

Commissioner Ness commented we are excessively favorable in general administrative expense and asked what the potential reason is and Mr. Becker commented it is most likely a timing issue in payroll.

Commissioner Keranen commented under electric expense the workers comp premium is higher than what we budgeted for. Commissioner Hutter stated that is probably a timing issue in payroll and Mr. Becker said he will check into that and relay the answer back to the Commissioners.

A. Motion to Approve the Financials for March 2010

There was a motion made by Jonathan Ness with a second by Joseph Johnson to approve the financials for March 2010.

Motion Carried

7. COMMISSIONERS REPORT

A. Review Interconnection Agreement – Joe Johnson

i. Documentation to be distributed at the meeting

Commissioner Johnson reviewed the agreement and recommends the commission accept the agreement. He will continue to work with Mr. Becker for better definitions on the wording so customers will better understand what the agreement consists of.

There was a motion made by Jonathan Ness with a second by Randy Keranen to approve the Interconnection Agreement.

Motion Carried

8. UNFINISHED BUSINESS

Updates on Delano Municipal Utilities projects

Mr. Becker stated we are continually working on burying remaining overhead power lines. The project for the new line by Delano Theatre has been completed. The crews completed some work on a Sunday so as not to impact our customers. It consists of a new upgraded system and is a major step in our effort to provide improved service in that area and to also plan for a future industrial park in that area. We are also working on a conversion of service territory purchased from Xcel about five years ago and switching those customers over to our lines. On Merriman Drive and Buffalo Street all systems are looped instead of radial lines. The overhead lines between the Xcel building and the power plant are deenergized and we are currently waiting for the cable and phone companies to finish up their work before we can remove them. On River Street to the elevator the lines are converted to underground and we are looking to purchase a switch to loop that area. Commissioner Hutter asked what the percentage is of overhead lines that are left and Mr. Becker answered about 5% to 6% left to convert. We will continue to complete everything on this side of the railroad tracks and hoping to complete the other side in two to three years. Commissioner Ness asked how long we have been working on this and Mr. Becker replied about 15 to 20 years. New development has been the priority and with the development slow down, we have been able to work on this project. Commissioner Keranen asked how many areas does power come into Delano and Mr. Becker replied that we have three lines coming into town. Currently we are on the St. Boni line. We have an automatic switch in the Xcel substation if there is ever a pause in service that will switch from one source to another.

Mr. Becker explained the work on Elm Avenue was due to a possible basketball hoop installation that damaged the line and encourages everyone to call Gopher Locate before digging to avoid these situations.

9. NEW BUSINESS

A. Discuss Replacing Forklift

The existing forklift we use for lifting transformers in our warehouse is about 20 yrs old and the batteries have died. The staff researched three quotes for the batteries and they are expensive for this machine. The staff proceeded to research quotes on replacing the forklift with a gas model. One quote is from Herculift in Maple Plain on a 2004 Mitsubishi and another one is a 2002 Caterpillar from Midwest Supply in Eden Prairie. Commissioner Ness asked if it is better to purchase the newer one to expand the lifespan and also commented if it would be better to purchase new. Mr. Becker explained we use this about a half an hour per day on average and although it would be nice to have newer equipment, the 2004 model would last a long time. Commissioner Hutter asked what the lifespan is usually and Commissioner Bartels pointed out we have had the old one for 20 years. Commissioner Keranen asked if they are recommending propane versus an electric forklift and Mr. Becker replied absolutely. Commissioner Ness asked if they would take the old forklift and Mr. Becker explained we would scrap it out ourselves.

There was a motion made by Jonathan Ness with a second by Joseph Johnson approve the purchase of a forklift from Herc-u-lift.

Motion Carried

9B. Geothermal heating project update

Mr. Becker stated when we first looked at the geothermal heating/cooling system it was to convert only the office portion of the plant. Since then we have reduced our requirements on our boiler because we drain the water tower in the winter instead of keeping it heated making less heating demands. This is an opportunity to get a new proposal to convert the entire plant to the new heating/cooling system. An approximate quote from the contractor is \$84,000 for the entire plant. CIP (Conservation Improvement Program) funds would be used and the savings on kilowatts would be passed on to our customers through the PCA (Power Cost Adjustment). Mr. Becker further commented the state requirements are to reduce kilowatt hours and if we do not have enough projects we have to find a way to meet the mandate. Every year it has to be new projects and it is going to be very hard to meet the mandates in the future.

Commissioner Keranen asked if we have a calculation for the savings per customer and Mr. Becker said we do not have that calculation at this time.

Commissioner Ness asked what the fine is if we do not follow the state mandates and Mr. Becker replied that has not been an issue and he does not know what the penalties are at this time. Commissioner Ness would like to hear an update from Paul Twite, Operations Manager on our CIP program and see some examples to help the commissioners understand what is saving kilowatt hours. He also suggests, along with Commissioner Keranen, to table this issue until we know how much kilowatts we could potentially save.

Commissioner Hutter asked what our window is with moving forward on our geothermal heating project and Mr. Becker replied we have delayed this to get this second phase negotiated.

10. CLAIMS

There was a motion made by Bob Hutter with a second by Jonathan Ness approve claims for the month of March 2010 in the amount of \$452,981.61

Motion Carried

11. ADJOURNMENT

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

Larry Bartels, Chairman

Jonathan Ness, Secretary