

8. General Manager Report

A. Conservation Improvement Update

Our residential program is at 78% of our goal and is coming in ahead of schedule. DMU projects are at 80% of our goal and for the Commercial and Industrial, we have six projects pending with 2 in process. A commissioner voiced concern if we will be over our goals and Mr. Becker confirmed our customers will be notified when we meet our allocation and the projects will go into the next year.

The Geothermal project is near completion with the wells installed and complete, the yard restored with new sod, and the air handling units installed and now working. The contractors are getting ready to install the last unit. Commissioner Ness suggested we document exactly what we have spent to review for future projects. Mr. Beck informed the Commission that we are documenting all expenditures on this project as we do with all DMU projects. Commissioner Keranen added we can use this information to share with our customers.

Commissioner Hutter asked if there have there been any unexpected expenses and Mr. Becker reported only minor expense and no major additional expenses.

i. Announce CIP Rate reduction

Our Conservation Improvement program is a state mandated program that we charge our customers a certain percentage of their electric usage to recover the necessary funds for this program. The fund started at 3% and has been raised .5% incrementally up to the current rate at 7%. In reviewing that account, we are able to reduce the percentage as we have built up enough funds for future projects.

There was a motion by Jonathan Ness and a second Bob Hutter by to decrease the CIP rate 3% for September 1st, 2010

Motion Carried

Motion Carried.

9. Unfinished Business

None

10. New Business

11. CLAIMS

A. There was a motion made by Jonathan Ness with a second by Bob Hutter to approve claims for the month of August 2010 in the amount of \$567,223.79.

Motion Carried

12. ADJOURNMENT

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

Larry Bartels, Chairman

Jonathan Ness, Secretary