

**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
Tuesday, July 13th, 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
Members Absent: Joseph Johnson, Commissioner
Also Present: Hal Becker, General Manager
Chris Hart, Financial Director
Aimee Dreger, Recorder

3. AGENDA

4. Review Staff generated update to 2006 Springsted Rate report.

A. Permit Exception Request

The electrical fees are based on one residential unit. When calculating Commercial and Industrial fees, a multiplier is used based on the measure of one residential unit. The electric recovery fee is based on data from the Springsted report. Until this report, a lot of the fees were covered by our rates. Previously, the developers would pay for these costs up front. Now the fee is on the permit passing it on to the new homeowner. When the developments that are currently in progress are complete, future developers will pay the recovery fees up front and will not be charged by individual lots.

An example of where the \$500.00 other electric fee is used would be for an electric service for a lighted monument at the entrance to a development. The Service Territory fee is a pass through fee to Xcel or Wright/Hennepin for the service territory we have acquired and is based on what we paid them for the territory.

Capital costs play a key role in determining rates and the permit fees. Those costs include vehicles, equipment, tools, office equipment, meters and AMR (automatic meter reading). New businesses and new development also need to be considered. We could save monies for the cost of installing future infrastructure. The replacement of office computer workstations are an example of a capital expenditure that is included in our rates.

Commissioner Ness discussed the permit fees right now are not driving our revenues and that a permit fee reduction would be beneficial to smaller businesses and new homeowners. The permit fees right now are not helping out our cash flow because of the low number of new homes being built.

Commissioner Bartels pointed out previously we put all the permit fees on the developments instead of making all of the residents pay for all of the new infrastructure.

Commissioner Ness requested that this item be added to the next agenda to discuss permit fees further.

A. J&J GLASS:

A discussion regarding permit fees and service to the J & J glass continued from the previous meeting and one solution suggested is to have them pay the difference between the commercial fees and the residential fees.

There was a motion made by Jonathan Ness and a second by Bob Hutter to charge J & J Glass for an upgrade in service from a basic to a light industrial service and for permit fees to be the difference between the commercial fees and the residential fees paid for and for work done by Tuesday, August 17th, 2010 or service will be disconnected. A payment option through the end of 2010 will be available.

Motion Carried

5. NSP Service Territory

A document between XCEL and Delano Municipal Utilities will be coming to a Commission meeting to be signed. The two issues that need to be resolved concern a small part of the Motzko land and small part of sewer plant that Xcel is claiming as part of their service territory and an issue with customers that DMU serves by exceptions.

6. VISION/MISSION STATEMENT

A discussion on ideas for the vision and mission statement included words such as local, dependable and competitive. Commissioner Ness will write a rough draft to discuss at the next meeting.

7. OPEN DISCUSSION

The 1983 John Deere lawn tractor has major engine problems and needs to be replaced. We have borrowed the City lawn mower on a temporary basis. We do use the lawn mower for the Power Plant, the water tower and Water Treatment Facility lawns.

There was a motion by Jonathan Ness and a second by Randy Keranen to authorize the purchase of a zero turn lawn mower for under \$5,000.

Motion Carried

Larry Bartels, Chairman

Jonathan Ness, Secretary