

**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  
Monday November 15th, 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  
Chris Hart, Finance Director  
Aimee Dreger, Recorder

3. AGENDA

A. There was a motion made by Jonathan Ness with a second by Bob Hutter to approve the agenda.

Motion Carried

4. New Business

- A. Iberdrola Wind Project Discussion Steve Thompson the CEO of CMMPA (Central Minnesota Municipal Power Association) and Tim Delf of CMMPA were present to answer questions and concerns in regards to this project.

The Iberdrola Wind Project has been presented to the Commission at an earlier special meeting. The main issues are meeting our REC's (Renewable Energy Credits) and would this be a good investment for DMU. We have REC's through the year 2012. Investing in this project would cover beyond 2012 depending upon how much energy we purchase. There are three cities in CMMPA that have already signed contracts. It was questioned from the Commission whether it would matter to CMMPA if Delano chose not to participate and Mr. Thompson explained it would not make a difference as each city has its own requirements. There are also cities that have their own renewable energy. Other options discussed were to wait for another renewable project or building some kind of renewable energy here in Delano keeping in mind we are only covered through 2012. It was further discussed to look at this project conservatively and go with no more than 1.6 megawatts as recommended by Mr. Becker and to look for other projects coming up.

There was a motion made by Jonathan Ness and a second by Joseph Johnson to purchase One Megawatt of renewable energy from the Iberdrola Wind Project by December 1<sup>st</sup> 2010.

Motion Carried

- B. Discuss Second Draft of 2010 Budget
- i. Adjust Electric Rates Up or Down (Currently Planned for 5% Decrease)

- ii. Adjust Water Rates Up or Down (Currently Planned for 5% Increase)

In discussing the budget for 2011, it was asked when Big Stone II will drop off our budget and the bulk of the remaining balance will be done at the end of 2010 with some costs carrying over until November 2011.

DMU medical insurance will be increasing due to major health events in the last couple of years as these types of events are reflected in our rates for three years and are then taken off our record for considering rates. The medical rate costs are part of the budget and costs are not passed on to the employees.

There was a 2.4% wage increase included originally which will be reduced in this version of the budget. It is a conservative approach as the city employees are receiving only step increases.

Mr. Becker has asked the Commission to move AMR (Automatic Meter Reading) costs to the 2010 budget to move up the installation date on the system.

There was a motion made by to Jonathan Ness and second by Randy Keranen to amend the 2010 budget to move up the AMR system installation.

Motion Carried

#### C. Discuss Service Deposits

At DMU, when a rental customer would like a billing in their own name, an application and service deposit is required. In 2004 the deposit amounts were set to what we follow currently. The staff at DMU is in the process of reviewing these amounts to make sure they are a fair amount and to also make sure we are covering any possible unpaid ending bills. It was further discussed by the Commission if the deposit amounts were acceptable or preventing growth in Delano. Mr. Becker further explained we have been collecting deposits for many years and have prevented bad debt for the Utility. DMU staff is further researching our bad debt and collection amounts for review to compare with what our deposit amounts are to adjust the amounts as necessary.

#### D. Open Discussion

- i. Study on our Water Rates without Principle & Interest Bond Payments

DMU staff has reviewed possible scenarios with our water rates taking into consideration rates without Principal & Interest Bond Payments for the commissioners to review.

#### ADJOURNMENT

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

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Larry Bartels, Chairman

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Jonathan Ness, Secretary