

**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**

Wednesday September 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*

*Arrived at 6:30pm

Also Present: Hal Becker, General Manager
Aimee Dreger, Recorder

3. AGENDA

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

Motion Carried

4. Discuss Iberdrola Wind Project

A. Representative Tim Delf from CMMPA (Central Minnesota Municipal Power Association) with PowerPoint presentation

Tim Delf with CMMPA came to discuss and present RFP options that CMMPA is working on for our renewable energy credits that are mandated by the State of Minnesota. The Iberdrola Wind Project is an RFP that has been researched by CMMPA and there are currently four members on board with this project. It is a wind farm in located in Rugby North Dakota. The details on the cost of this energy are confidential until the agreement is finalized. The Commissioners will review this project and intend to make a decision by the October 2010 regular meeting.

5. Continued Discussion on Mission Statement

Commissioner Ness has an example of a mission statement for review. The intent of the mission statement is to provide future direction of Delano Municipal Utilities. The commission will keep this as an agenda item going forward. Commissioner Johnson asked Mr. Becker to relate the same questions and reach out to the employees for their review and input.

6. Discuss Utility Evaluation Study

Commissioner Bartels stated the subcommittee did not have a meeting today so he does not have the feedback he was hoping for this evenings meeting. The Commissioners discussed what the goals are with this evaluation and agreed for the need to create the value for our customers to make decisions and use the evaluation as a good way to measure the value of the utilities.

Jonathan Ness made a motion for Commissioner Bartles to recommend to subcommittee to go through with both of the proposals of the evaluation and for DMU to pay half of the costs of the evaluation. There was a second by Joseph Johnson

Motion Carried

7. Discuss Wright- Hennepin Service Territory Acquisition

The areas of Parkview Hills, Parkview Hills south, and Fox Meadow are currently the service territory of Wright-Hennepin Electric. DMU has looked at acquiring this service territory for electric utilities as we now service this area for the water and sewer utilities. Permit fees have been collected from building permits and saved in a liability account to cover the acquisition costs and legal fees for the purchase. We are at point where all the legal battles are over and a decision to purchase the territory needs to be discussed. One point a commissioner discussed was purchasing this area will reduce our current cash position and we would need to look at bonding as an option. The commission further discussed if it is in the best interest to grow our service territory and at what is the financial breaking point that a decision to grow would be beneficial to DMU. Mr. Becker pointed out if we block our growth pattern it inhibits growth in the future. It was further discussed to put this in our vision statement and we should be consistent in acquiring and growing our service territory. The commission will research this issue further and discuss a decision at a future meeting.

8. Discuss Conservation Improvement Program

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 back down to 3% as we have built up enough funds for future projects.

There was a motion by Jonathan Ness and a second by Randy Keranen to create a policy to visit this account annually and to decrease the Conservation Improvement Program rate to 3% for September 1st, 2010

Motion Carried

Larry Bartels, Chairman

Jonathan Ness, Secretary