

**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  
Thursday January 20th, 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  
                                  Randy Keranen, Commissioner  
                                  Jonathan Ness, Commissioner  
                                  Derek Schansberg, Commissioner

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

A. Recognize Oath of Office of Larry Bartels and Derek Schansberg

B. Election of Officers

i.       Chairman (Current Officer Larry Bartels)

There was a motion made by Randy Keranen with a second by Bob Hutter to re-elect Larry Bartels as Chairman.

Motion Carried

ii.      Vice Chair (Current Officer Robert Hutter)

There was a motion made by Larry Bartels with a second by Jonathan Ness to re-elect Robert Hutter as Vice Chair.

Motion Carried

iii.     Secretary (Current Officer Jonathan Ness)

There was a motion made by Derek Schansberg with a second by Randy Keranen to re-elect Jonathan Ness as Secretary.

Motion Carried

3. AGENDA

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

Motion Carried

4. MINUTES

A. There was a motion by Jonathan Ness with a second by Randy Keranen to approve the minutes of the joint meeting conducted on December 13th, 2010 as amended.

Motion Carried

B. There was a motion by Bob Hutter with a second by Jonathan Ness to approve the minutes of the special meeting conducted on December 13th, 2010.

Motion Carried

C. There was a motion by Jonathan Ness with a second by Bob Hutter to approve the minutes of the regular meeting conducted on December 21st, 2010.

Motion Carried

## 5. POWER COST ADJUSTMENT

The PCA is down from past months a large part due a decrease in to the transmission fees of about \$37,000 in December from MISO (Midwest Independent System Operators).

It was asked by the Commission about the revenue we get from transmission lines on highway 12 and is it included in our budget. Mr. Becker replied we have received approximately \$26,000 recently and that should be standard on our wholesale bill. The transmission revenue is included in our budget.

- A. There was a motion made by Jonathan Ness with a second by Derek Schansberg to approve the power cost adjustment for bills due January 27th, 2011 at negative .00850.

Motion Carried

## 6. FINANCIALS

Review the Financials for December 2010

For the month of December in electric, we were 67% over budget in revenue. In 2010 we sold more kilowatt hours than anticipated and that has brought us over budget. We had permit fees that we did not budget for and also our refund check from the MISO study for about \$160,000 of the original \$185,000 for 2010.

In the water department, we are overall negative \$145,877 due to rainy summer months for water use.

It was further discussed by the Commission in being over for this year in income, have we thought about this for next year's budget for 2011 and Mr. Becker replied we have tracked our 2011 based on our actual financials for 2010 and have accounted for the bulk of the changes in our budget.

## 7. General Manager Report

- A. Conservation Improvement Update

The end of year totals for 2010 the residential goal was exceeded by 13%, the DMU project goal was exceeded by 1%, and the C & I goal was exceeded by 14%. The kilowatt goal was exceeded by over 70,000 kw hrs in which is allowed to be carried over to the next year.

It was further discussed if we have any new CIP ideas for the 2011 program. Paul Twite has been working with the Department of Commerce on what we can add to our CIP Program. There are projects currently forecasted for 2011 in lighting retrofit, heat pumps, motors and drives, compressed air audits, general energy audits, new construction energy design assistance, and custom rebates. DMU also offers fee-based services for flat roof leak inspection, mold testing, power quality testing, ground and bonding test, vibration analysis, laser alignment, ultrasonic inspection, commissioning or new equipment. We are also looking at a mass distribution of CFL lamps to DMU customers. Off-peak rates were also mentioned and Mr. Becker explained they would be tied into our AMR system.

## 8. Unfinished Business

Motion to Approve Personnel Policies for 2011-Table until next meeting

## 9. New Business

- A. Motion to Approve Resolution to Appoint Delegate and Alternate

- i. CMMPA/UP/MMGA (Current Hal Becker and Randy Keranen)

There was a motion made by Bob Hutter with a second by Jonathan Ness to approve the appointment of Hal Becker and Randy Keranen as delegates for CMMPA/UP/MMGA.

Motion Carried

- ii. MMUA (Current Hal Becker and Jon Ness)  
There was a motion made by Randy Keranen with a second by Bob Hutter to approve the appointment of Hal Becker and Jonathan Ness as delegates for MMUA.

Motion Carried

#### B. Discuss Utility Deposits

The deposit amounts were originally set to cover 2 months and 3 weeks of utility bills exposure of an unpaid tenant's bill based on the highest usage accounted for at that time.

Commissioner Ness's recommendation would be to use the average, not the highest bill and lower the deposits. It was further discussed not to use the reconnect charge of \$50 in the calculation of the deposits. The Commission asked what the purpose of the reconnect charge and Mr. Becker explained is to cover the cost of the employee going out and disconnecting the service. Commissioner Ness also pointed out it goes back to our mission/vision statement to be competitive with surrounding communities and recommended lowering the deposit. The Commissioners commented they liked the average idea although DMU might lose some money in the worst case scenario. They went on to comment that we want to be fair to our good paying customers and to new tenants moving to Delano. Another point made is the difficulty to get renters to pay first and last rent and security deposit on utilities. It was further stated our risk on other business decisions is much higher than our risk for lowering customer deposits. Commissioner Bartels stated he will not support this, and he feels we have to uphold the deposits to protect our current customers. He went on to say if this does get passed, the Commission would review this yearly and see what the results have been in regards to our bad debt for non-payments.

There was a motion by Jonathan Ness with a second by Derek Schansberg to approve line 2A on the proposed spreadsheet to reduce our deposits using the average and to not use the disconnect fee in the calculations and using the 2.75 average. A finalized a structure for each apartment building and rental house will be calculated at a later date.

Motion Carried

#### C. Additional ideas for CIP Programs –Covered on 7A the CIP program update.

#### D. Approve Crow River Bank as Depository

There was a motion made by Bob Hutter with a second by Jonathan Ness to approve Crow River Bank as Depository for June 1st, 2011 and ending May 31<sup>st</sup>, 2013.

Motion Carried

### 10. CLAIMS

A. There was a motion made by Jonathan Ness with a second by Bob Hutter to approve claims for the month of December 2010 in the amount of \$834,930.94.

Motion Carried

### 11. ADJOURNMENT

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

