

**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, February 16th, 2011

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
Mark Johnson, City Attorney
Aimee Dreger, Recorder

3. AGENDA

4. CAPX2020

The Commission and Mr. Becker continued the discussion on whether to invest in the CAPX2020 project. The FERC (Federal Energy Regulatory Commission) ruling did pass in favor of the extra incentives that CMMPA (Central Minnesota Municipal Power Association) requested and will receive the net result of a 12.85% rate of return on the investment. It was questioned if FERC had the ability to overturn its ruling and Mr. Johnson replied he has been on conference calls with the attorneys from Washington and they have stated it would seem unconstitutional to overturn the ruling.

Points in the discussion were focusing on our mission and vision statement if the commission would like to be the cheapest rate or have the best value and if investing in this project reflects which direction the Commission would like DMU to go. Additionally, the Commission discussed the risk of previous projects Big Stone II and Generator nine and if the CAPX2020 project is a similar risk. Mr. Becker pointed out this project is different than Big Stone II and Generator 9 because all this investment money gets put into the MISO (Midwest Independent System Operators) pool and tariff base and investors will recover the investment at the FERC ruling the net result of a 12.83% rate of return.

It was further discussed we will be paying higher transmission costs whether we choose to invest or choose not to invest. We will see the rate of return if DMU does invest in this project. The Commission also discussed looking at long term, it seems a good decision and we are following Xcel who is a primary investor.

5. Discuss conflict of interest, open meeting law requirements, statutory law updates and any other legal issues with City/ Utility Attorney Mark Johnson.

City Attorney Mark Johnson handed out an overview of legal issues in regards to conflict of interest, Open Meeting Law, Data Practices, and Utility Commission Parliamentary Procedure and Voting. The Commission also inquired who can call a meeting and Mr. Johnson answered the Chair of the Commission or any two members.

The Commission furthered asked questions in regards to community service workers and part time and full time employees for hiring and insurance. Mr. Johnson explained for community service workers we should verify that the county insurance covers them for injuries. He further went on to say to clarify what their scopes of duties are and who would be supervising them. The Commission should always approve any hiring of part time or full time employees.

6. Discuss hiring policy – Progress Report
 - a. Staff- The DMU staff inquired with other utilities to see if they had any hiring policies in place as well as calling the League of Minnesota Cities.

 - b. Commission - Commissioner Ness handed a rough draft of a hiring policy for the Commission to review and will received input to complete the policy for approval.
7. Discuss DMU’s Mission and Vision Statements
The DMU Mission and Vision statements are still being worked on.
8. Open Discussion
9. ADJOURNMENT

Larry Bartels, Chairman

Jonathan Ness, Secretary