

DRAFT
 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, February 18th, 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
	Aimee Dreger, Recorder

3. AGENDA

There was a motion made by Bob Hutter with a second Larry Bartels to approve the agenda.

Motion Carried

4. MINUTES

A. There was a motion by Jonathan Ness with a second by Larry Bartels to approve the minutes of the regular meeting conducted on January, 21st, 2010 with an addition to 9C.

Motion Carried

5. POWER COST ADJUSTMENT

There was a motion made by Bob Hutter with a second by Randy Keranen to approve the power cost adjustment for bills due February, 27th, 2010 at negative .00019.

Motion Carried

6. FINANCIALS

Staff members from Larson Allen Craig Popenhagen and Michelle Bruley presented the audit results for the fiscal year 2009. The results included a clean opinion on financial statements and full cooperation from the staff at DMU. They highlighted new requirements to record easements and intangible assets that will be for the year 2010. In 2009 the electric revenue was up from last year from a year long negative power cost adjustment and purchase power being lower also.

In the water department, there was drop from 2007 to 2008 as the Highway 12 project was completed and paid out of cash reserves and not bonded for. Moving forward, the water fund will start building up.

In the electric department, debt goes down for 2011 with the electric bond being paid off in 2010.

Commissioner Ness expressed his concern with Big Stone II being an asset and why we do not zero out the amount on the financials because it has no value. Mr. Becker along with DMU staff has discussed with the auditors the monthly asset write down of Big Stone II through 2010 and that is an approved accounting method according to staff at Larson Allen. Craig Popenhagen added with a utility controlling their rates, they can control the cost of Big Stone II and expense it out over a period of time.

Commissioner Keranen asked the auditors to comment on our cash flow. Craig Popenhagen replied we have positive operating cash flow averaging around \$100,000 per month. Ideally, you want to be able to cover depreciation and ours is covered. Commissioner Bartels commented that he likes the bar graphs. They make it easier to understand the conclusions of the audit. The auditors also pointed out this year all the adjusting entries were made before the audit started which made the audit go smoother and faster.

A. Motion to Approve Larson Allen as auditors for Fiscal Year 2009

There was a motion made by Jonathan Ness with a second by Bob Hutter to approve Larson Allen as auditors for Fiscal Year 2009.

Motion Carried

- B. Review and Approve the Audit Report for 2009 as Presented by Larson Allen, Auditors
 - i. SAS 114 letter
 - ii. Yellow Book Letter
 - iii. MN Legal Compliance Letter
 - iv. Management Letter
 - v. Final Draft 2009 Financials

There was a motion made by Jonathan Ness with a second by Bob Hutter to approve the Audit Report for 2009 as presented by Larson Allen, Auditors.

Motion Carried

- C. Motion to Approve the Financials for December 2009

There was a motion made by Jonathan Ness with a second by Joseph Johnson to approve the financials for December 2009.

Motion Carried

- D. Review and Approve the Financials for January 2010

There was a motion made by Jonathan Ness with a second by Randy Keranen to approve the financials for January 2010.

Motion Carried

7. COMMISSIONERS REPORT

Commissioner Keranen asked Mr. Becker to comment on high water use and what customers can do to prevent this. Mr. Becker commented that DMU Staff is adding tabs on the website for customers who are concerned with high electric and water use it will have tips to look for. He added some things to look for such as plug in electric portable heaters, or anything related to electric heat. In the summer, air conditioning is the biggest load and also dehumidifiers use a lot of energy especially older models. Refrigerators filters need to be kept clean to reduce kilowatt usage. For high water usage, the number one cause is a leaky toilet. At DMU, we have tablets available free of charge to detect leaks or food coloring also works to put in your tank, and if the dye runs in the bowl, your toilet is leaking. Another problem is the water softener running too much. The setting on the water softener can be adjusted as needed to reduce water use. Commissioner Johnson asked if we have anything that flags high usage before customers get their bill. Mr. Becker commented that we review an exception report and contact customers if possible. In the future, the AMR system will be in place to catch high usage sooner. Commissioner Ness asked if there any way to back out costs or if there is any reprieve for extra water use. Mr. Becker replied that if it goes through the meter, the DNR wants it recorded and paid for making the homeowner pay for not conserving. That is one of the DMU policies. Commissioner Hutter commented that customers need to look at their bill to catch high usage. Mr. Becker also commented that customers can go read their water meter to see what the usage is if they are concerned with a leak and that is the same with an electric meter to see how much energy they are using. Commissioner Johnson inquired about our policy to help customers if they have a big water bill. Mr. Becker explained we set up payment plans for customers who have a higher bill from a leak that was fixed. Commissioner Keranen added a little heater at 1800 watts that could cost you \$2.50 a day, an extra \$60 a month. Mr. Becker said all water meters are designed slow down or stop when they are faulty, they cannot speed up. We maintain the meters and they last about 20 years. The readings become more accurate when we replace a meter. Commissioner Ness inquired how we read the meters. Mr. Becker replied we read the electric meter manually and read the water meter with a handheld remote reader.

8. UNFINISHED BUSINESS

9. NEW BUSINESS

10. CLAIMS

Commissioner Keranen asked how we pay Larson Allen and Mr. Becker replied they bill us twice. The first bill is a partial bill halfway through the audit and the final bill is after the audit is accepted.

There was a motion made by Bob Hutter with a second by Joseph Johnson approve claims for the month of January 2010 in the amount of \$458,813.20.

Motion Carried

11. ADJOURNMENT

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

