

WATER AND LIGHT COMMISSION MINUTES REGULAR MEETING DECEMBER 5, 2011

The regular meeting of the Water and Light Commission was called to order in the Worthington Public Utilities Conference Room at 7:00 A.M., CST, by Vice-President Randy Thompson with the following members present: Gary Hoffmann, James Elsing and Ron Wood. Absent was Robert J. Demuth (excused).

Staff members present were Scott Hain, General Manager; Deb Scheidt, Secretary to the Commission

Others present: Keith Wilson, Honorary Council Member

AGENDA ADDITIONS/CLOSURE

A motion was made by Commissioner Elsing, seconded by Commissioner Hoffmann and unanimously carried to close the agenda as presented.

WATER AND LIGHT COMMISSION MINUTES

A motion was made by Commissioner Wood, seconded by Commissioner Elsing and unanimously carried to approve the Water and Light Commission Minutes of the regular meeting held November 21, 2011.

ELECTRIC DEPARTMENT 2012 STRATEGIC FINANCIAL PLAN

Scott Hain, General Manager, presented the 2012 Electric Department Strategic Financial Plan to the Commission. The plan included the WPU purchasing policy, the Electric Department budget, the five-year operation and maintenance expense summary, the five-year capital improvement program, the equipment and vehicle revolving schedule, the five-year flow of funds summary, the electric rate schedule and illustration of typical bills and the reserve account policy.

Total purchased power and transmission costs are projected to increase from \$14,070,154 in 2011 to \$14,219,531 in 2012, an increase of \$149,377 or 1.1%. Western Area Power Administration (WAPA) accounts for \$2,895 of the increase, Missouri River Energy Services accounts for \$68,098 of the increase and ITC transmission service accounts for \$78,384 of the increase. Total operation and maintenance expenses, including purchased power and transmission, are budgeted to increase from \$15,802,524 in 2011 to \$15,968,416, up \$165,892 or 1.05%. Capital improvement expenditures included in the 2012 budget are down \$90,770 (2.2%) from the 2011 budget.

Mr. Hain stated that the proposed budget included no increase in retail rates for residential, commercial and medium general service customers and a slight increase in the energy charge for large general service customers from \$0.0450 in 2011 to \$0.0460 in 2012.

After discussion, a motion was made by Commissioner Wood, seconded by Commissioner Elsing and unanimously carried to approve the Electric Department 2012 Strategic Financial Plan as presented.

SUBSTATION TIE TRANSMISSION PROJECT UPDATE

Scott Hain, General Manager, provided an update on the status of the substation tie transmission project.

JOINT CITY COUNCIL/WATER AND LIGHT COMMISSION MEETING

Scott Hain, General Manager, reported that there will be a joint City Council/Water and Light Commission meeting on Wednesday, December 7, at 7:00 a.m. in the City Council Chambers. The purpose of the meeting will be to discuss the status of union negotiations with the three collective bargaining units.

MISSOURI RIVER ENERGY SERVICES POLICYMAKERS WORKSHOP

On June 29, 2011, Commissioners Elsing, Thompson and Hoffmann and Scott Hain, General Manager, attended a Policymakers Workshop in Sioux Falls, South Dakota, presented by Missouri River Energy Services (MRES). The workshop provided information on present and future electric utility industry issues.

MRES is now offering to conduct the workshop on site to interested member utilities. Commission members were in agreement that it would be beneficial to schedule a workshop in Worthington to include Commission and City Council members. Mr. Hain will contact MRES to discuss scheduling options.

UTILITY BILLS PAYABLE

A motion was made by Commissioner Wood, seconded by Commissioner Hoffmann and unanimously carried to approve the utility bills payable totaling \$114,254.54 for November 25 and December 2, 2011.

ADJOURNMENT

A motion was made by Commissioner Hoffmann, seconded by Commissioner Wood and unanimously carried to adjourn the meeting at 7:45 A.M., CST. Vice-President Thompson declared the meeting adjourned.