

WATER AND LIGHT COMMISSION MINUTES REGULAR MEETING AUGUST 16, 2010

The regular meeting of the Water and Light Commission was called to order in the Worthington Public Utilities Conference Room at 3:00 P.M., DST, by President Robert J. Demuth with the following members present: Randy Thompson, James Elsing, Ron Wood and Gary Hoffmann.

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

Others present: None

AGENDA ADDITIONS/CLOSURE

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

WATER AND LIGHT COMMISSION MINUTES

A motion was made by Commissioner Elsing, seconded by Commissioner Wood and unanimously carried to approve the Water and Light Commission minutes of the regular meeting held July 26, 2010.

FINANCIAL STATEMENTS AND STAFF REPORTS

A motion was made by Commissioner Hoffmann, seconded by Commissioner Thompson and unanimously carried to accept the Financial Statements and the Staff Reports for July 2010.

REQUEST FOR A CONTRIBUTION TOWARD PROPERTY PURCHASE IN THE LAKE BELLA WELLHEAD PROTECTION AREA

The Commission was asked to consider approving an expenditure totaling \$25,090 as Worthington Public Utilities' share towards the purchase of approximately 80 acres of land in the Lake Bella wellhead protection area. Pheasants Forever acquired the land in 2009 for \$192,500 or \$2,406.25/acre. Mr. Hain reported that there are adequate funds designated for wellhead protection activities in the 2010 Water Department budget. Mr. Hain also provided the Commission with a presentation illustrating previous property acquisitions that have taken place in the Lake Bella wellhead protection area.

After discussion, a motion was made by Commissioner Thompson, seconded by Commissioner Hoffmann and unanimously carried to approve a contribution of \$25,090 to Pheasant's Forever towards the acquisition of 80 acres of land in the Lake Bella wellhead protection area.

TRANSMISSION PROJECT UPDATE

Scott Hain, General Manager provided the Commission with information on the proposed substation tie transmission project including the proposed route, the projected timeline and associated cost estimates. Mr. Hain reminded Commission members that the cost estimate to include 1,900 feet of underground transmission along a portion of the proposed route is approximately \$1 million more than the overhead transmission option. The underground option is being considered as a result of concerns relating to the local airport zoning ordinance and safety zone restrictions.

As a result of the significant cost difference between the overhead and underground transmission options, the Commission requested that Mr. Hain have further discussion with city staff on the process involved with possibly modifying the airport zoning ordinance and safety zone restrictions. Mr. Hain indicated that he would also contact DeWild Grant Reckert (DGR) to further discuss our overhead/underground options and the projected timeline.

OWATONNA PUBLIC UTILITIES ELECTRIC AND WATER RATE COMPARISON STUDY

Scott Hain, General Manager, reviewed the residential, commercial and industrial electric cost comparisons and rankings compiled by Owatonna Public Utilities for July 2009 through June 2010. Based on the information included in the survey, Worthington Public Utilities had the lowest annual electric costs in the residential and industrial class cost comparisons and the second lowest annual electric cost in the commercial class cost comparison. Fifteen electric utilities were surveyed including eleven municipal utilities, two rural electric cooperatives and two investor-owned utilities.

Mr. Hain also reviewed the residential, commercial and industrial water rate comparisons from twelve municipal water utilities surveyed by Owatonna Public Utilities. Mr. Hain reported that Worthington was not included in the survey; however, our water rates result in annual costs that fall in the middle when compared to the utilities surveyed.

LEWIS & CLARK PROJECT CONSTRUCTION TOUR

Scott Hain, General Manager, reported that Lewis and Clark Regional Water System will be hosting a project construction tour on September 9, 2010. The tour will include the 85th Street water tower site, the Tea reservoirs and pump station, the water treatment plant site near Vermillion and the well facilities and bank stabilization project near the Missouri River. Commission members were encouraged to attend.

UTILITY BILLS PAYABLE

A motion was made by Commissioner Wood, seconded by Commissioner Thompson and unanimously carried to approve the Utility Bills Payable totaling \$221,353.64 for July 30, August 6 and August 13, 2010.

GENERAL MANAGER'S PERFORMANCE EVALUATION

A motion was made by Commissioner Wood, seconded by Commissioner Thompson and unanimously carried to close the meeting and enter into executive session to discuss the results of the General Manager's annual performance evaluation.

A motion was made by Commissioner Thompson, seconded by Commissioner Hoffmann and unanimously carried to end the executive session.

Based upon the outcome of the General Manger's annual performance evaluation, a motion was made by Commissioner Elsing, seconded by Commission Wood and unanimously carried to award the General Manager a 0.9% merit increase retroactive to August 1, 2010, per the City of Worthington/Worthington Public Utilities Compensation Program.

ADJOURNMENT

A motion was made by Commissioner Wood, seconded by Commissioner Thompson and unanimously carried to adjourn the meeting at 4:52 P.M., DST. President Demuth declared the meeting adjourned.

Deb A. Scheidt
Secretary to the Commission