

The Owatonna Public Utilities Commission met in regularly scheduled session in the Commission Room. Present were Commissioners Emanuelson, Schreiner, Truelson, Mayhew and Stansberry. Also present were General Manager Shurts; City Administrator Busse; Director, Finance & Administration Bruno; Director, Gas, Water & Power Production Green; Manager, Energy Management & External Affairs, Warehime; Manager, Human Resources Madson; Supervisor, Information & Financial Services Turnbull; and Executive/HR Assistant Schmoll.

The Pledge of Allegiance was led by Violet Paleczny, OPU Programmer/Analyst who then left the meeting.

### **Minutes**

The Minutes from the regular meeting of December 20, 2007 were presented to the Commission. Commissioner Truelson moved to approve the Minutes as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports:**

Personnel Committee – Commissioner Schreiner reported the Personnel Committee did not meet.

Finance Committee – Commissioner Truelson reported the Finance Committee met, reviewed and approved cash disbursements. Mr. Truelson also reported cash flow statements were discussed for each utility. Mr. Truelson reported the Committee discussed Work Orders in great detail. General Manager Shurts noted several work orders previously submitted for approval have been temporarily pulled until later in the year when we have a better idea of the year's financial situation. Commissioner Truelson inquired about inter-utility loans. Director, Finance & Administration Bruno reported currently there are not any inter-utility loans. Mr. Shurts added there is inter-utility rent, but no loans.

Director, Finance & Administration Bruno reported Uncollectible Accounts were presented to, and approved by, the Finance Committee. He noted \$126,558.61 will be wrote off as uncollectible prior to the close of business for 2007 and added bankruptcies are also included in that number.

### **City Administrator's Report**

City Administrator Busse reported the City will be meeting with engineers regarding improvements required at the Wastewater Treatment Plant to reduce phosphorous.

### **2008 Budget, 2009-2012 Forecast**

General Manager Shurts recapped the Commission's direction regarding the approved budget and bringing back a restated budget. Mr. Shurts noted the restated budget includes changes to cash flow only and added the expense and capital budgets have not changed. After discussion, the Commission directed staff to re-evaluate the Capital budget and report back at the next meeting.

### **Contributed Services**

The Contributed Services report as of December 31, 2007 was presented to the Commission. General Manager Shurts noted the Owatonna Business Incubator (OBI) will be included in the January, 2008 Contributed Services report. Staff will report back to the Commission on the how much utilities the OBI will use and how it will impact Contributed Services. The Commission signed the report.

**General Manager/Staff Reports**

General Manager Shurts reported an employee will be retiring on January 25, 2008 and invited the Commission to attend the retirement luncheon. Commissioner Truelson inquired if the employee will be replaced. General Manager Shurts replied, not at this time.

General Manager Shurts noted a joint training session with the Owatonna Fire Department has been set up.

Director, Gas, Water & Power Production Green reported a rebate check was presented to Bushel Boy and discussed Bushel Boy's concerns with the price and volatility of natural gas. Mr. Green also reported on the progress of the contract with Alcorn to supply them with natural gas. Mr. Green further reported on the progress with Ritchie Brothers and noted they have been approached by Centerpoint Energy, as well and we are waiting to hear who they decide to go with. Commissioner Emanuelson inquired on the status of the pre-pay deal. General Manager Shurts reported we are waiting for a better rate before we proceed further.

Manager, Energy Management & External Affairs Warehime reported OPU has received a letter from MMUA regarding the Tom Bovitz Memorial Scholarship fund and discussed how OPU plans to participate; that is, things we will do differently this year to try to get better participation.

General Manager Shurts discussed the date of the February Commission meeting with the Commission noting he will be in Washington, D.C. for the APPA Legislative Rally and recommended moving the meeting to Thursday, February 28, 2008 at 4:00 p.m. The Commission agreed.

Commissioner Truelson inquired on the status of the service territory for the Aquatic Center. General Manager Shurts will get back to the Commission.

**Commission Roundtable**

Commissioner Stansberry – I really enjoyed the article in the newspaper regarding cold weather.

Commissioner Schreiner – I want to remind the Commission of the General Manager's review meeting scheduled for February 6<sup>th</sup>.

Commissioner Truelson – How is the backflow prevention program going? General Manager Shurts replied, we have a retired plumber, Al Kreutz, working on the program for us. Mr. Shurts will report back to the Commission on the progress of that program.

Commissioner Mayhew – OPU really needs to be prepared in case a dramatic event happens. OPU needs to take a strategic look at what would be done and how OPU would continue to function. Commissioner Emanuelson inquired about a strategic planning session involving the Commission. General Manager Shurts will report back with the Commission on the next steps in the Strategic Planning process. Commissioner Mayhew further inquired on the variance analysis. General Manager Shurts reported staff is continuing to work on that and will have a report to the Commission in the second quarter.

Commissioner Emanuelson – Thanks to everyone on their efforts regarding the financial statements, it is greatly appreciated.

**Adjournment**

There being no further business to come before the Commission, Commissioner Truelson moved to adjourn the meeting. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:23 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant