

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Schreiner, Emanuelson, Truelson, Mayhew and Noyce. Also present were General Manager Shurts; Director, Finance & Administration Bruno; Director, Marketing & Energy Management Green; Director, Engineering & Field Services Morgan; Manager, HR & Customer Service Madson; Supervisor, SCADA & Energy Management Warehime; and Executive/HR Assistant Schmoll.

Director, Engineering & Field Services Morgan led the Pledge of Allegiance.

Minutes

The Minutes from the rescheduled meeting of December 20, 2006 were presented to the Commission. Commissioner Truelson moved to accept the Minutes as presented. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Truelson reported there was not a Personnel Committee meeting however the Commissioners did meet to complete the General Manager’s review. General Manager Shurts distributed responses to this review. Commissioner Mayhew inquired as to the status of a Commissioner Position Guide to help current Commissioners perform their job better, as well as assist in the selection of new Commissioners. Staff is working on it. Commissioner Truelson moved to approve the package offered to the General Manager at the performance review and make it retroactive to January 1, 2007. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed. Commissioner Truelson thanked Manager, HR & Customer Service Madson for the layout of the new evaluation form, as well as Commissioner Noyce for her work in compiling the final numbers.

Finance Committee - Commissioner Emanuelson reported the Finance Committee met, reviewed and approved vouchers, financial statements, uncollectible accounts and two work orders. One work order was for a trencher and the other was for a trailer. Discussion ensued regarding equity and cash reserves. Commissioner Emanuelson and General Manager Shurts discussed a work order addition for transformers with the Commission. Mr. Shurts explained the work order addition was required due to the increased costs of materials associated with making the transformers. Commissioner Truelson inquired about the work Coles Electric is performing for us, as well as where the Midwest Wireless (MWW) contracts are sitting in regards to their merger with Alltel. Mr. Morgan replied we are extremely happy with the work Cole’s is doing for us and Mr. Shurts explained the MWW contracts expired in 2006. We are currently on a month to month basis until the final changeover takes effect. We will then proceed from there.

Gas Transportation Rate Policy

Director, Marketing & Energy Management Green presented a Gas Transportation Rate Policy, Policy #503.98, to the Commission for their approval. Mr. Green explained OPU has been approached by a customer wanting to purchase their own natural gas but still have it transported over our lines. This policy will address all the issues involved with allowing customers to purchase their own natural gas, while at the same time ensuring OPU remains unaffected from a financial standpoint. This policy was originally adopted in 1996. After discussion, Commissioner Mayhew moved to approve the Gas Transportation Rate policy as presented. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Uncollectible Accounts

Manager, HR & Customer Service Madson discussed with the Commission 355 accounts, in the amount of \$123,833.04, for which collection is doubtful at this time that the Finance Committee approved be written off prior to the close of business December 31, 2006. Mrs. Madson discussed bad debt trends in surrounding cities, the heating assistance requirements, and OPU's deposit collection policy.

Contributed Services

The Contributed Services report as of December 31, 2006 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts discussed with the Commission the renewable energy bill being discussed at the Federal level, leadership training the management staff will be attending, and service territory.

Executive/HR Assistant Schmoll discussed the marketing and advertising plan for OPU for the upcoming year noting some of the subjects that will be focused on.

Manager, HR & Customer Service Madson reported the gas/water/facilities maintenance service worker position has been posted and three internal applicants have applied.

Supervisor, SCADA & Energy Management Warehime reported MMUA is sponsoring a scholarship for member utilities to present one essay from a student and staff is recommending OPU adds its own scholarship to a local winner in the amount of \$500. Mr. Warehime discussed the program with the Commission and noted the theme is "Municipal Utilities: Good for all of Us". After discussion, the Commission approved, by a general consensus, OPU to move ahead with a local scholarship contest with the selection committee consisting of employees instead of Commissioners.

Director, Marketing & Energy Management Green reported OPU has been working with Josten's on a program that looks at the process of how companies make energy management decisions. He explained it is a diagnostic software program that walks them through the whole process. He further noted, we would like to get one more company to participate in the program.

Commission Roundtable

Commissioner Noyce – I wanted to officially mention my term expires in April, 2007 and I am not planning to stay for another term.

Commissioner Truelson – Nothing.

Commissioner Mayhew – I feel OPU is doing a great job of getting closer to our customers.

Commissioner Emanuelson – Is OPU involved in the initial process with customer who are talking about expanding or building new facilities? It was noted, OPU has good working relationships and communications with the majority of our customers and are brought in on most initial plans.

Commissioner Schreiner – Nothing.

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 5:45 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant