

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Mayhew, Schreiner and Emanuelson. Commissioner Noyce was absent. Also present were General Manager Shurts, City Administrator Sparks, Finance Manager Bruno, Field Services Manager Morgan, Gas Marketing Manager Green, HR/Administration Supervisor Madson, Accountant Teresa Hottman, Marketing/Energy Conservation Analyst Roger Warehime, and HR/Executive Assistant Tammy Schmoll. Special guests included Dave Ihrke.

Commissioner Emanuelson led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of December 28, 2004 were presented to the Commission. Commissioner Mayhew moved to approve the Minutes as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee - Commissioner Mayhew reported the Finance Committee met and received preliminary year end financials. He reported the Auditors will be in-house February 23, 2005. He touched on some highlights from the financials. He further reported the Committee reviewed and approved the vouchers and investments as well as two work orders. One was for computer mainframe hardware and the other was for 7 personal computers. These were both budgeted items.

Personnel Committee – The Personnel Committee did not meet.

Uncollectible Accounts

HR/Administration Supervisor Madson distributed a history of uncollectible accounts from 1998 to 2004. Staff presented two documents for approval one recommending 227 accounts, totaling \$65,231.31, for which collection is doubtful at this time, be written off prior to the close of business in January 2005. The other recommends 21 accounts which have filed bankruptcy, totaling \$29,938.10, for which collection is doubtful at this time, be written off prior to the close of business in January 2005. Finance Manager Bruno noted the write-offs are .23 % of revenue. Industry standard is 2.5% to 2.7% of revenue. Discussion ensued. The Commission approved the uncollectible accounts.

Building Project Bid Tab

The attached bid tabulation was presented to the Commission for the Building Accessibility Project. Finance Manager Bruno noted the evaluated low bidder was Met-Con in the amount of \$519,730.00. He noted, the budgeted amount for this project is \$750,000 and staff is recommending approval of a work order for the full budget amount stating the bid from Met-Con does not include contingencies and minor project changes. General Manager Shurts distributed and discussed a draft layout of the new conference room that will arise from this project. After discussion, Commissioner Mayhew moved to award the bid to the evaluated low bidder, Met-Con, in the amount of \$519,730.00. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed. The Commission also signed the work order in the amount of \$750,000 approving the project.

Contributed Services

The Contributed Services report as of December 31, 2004 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts gave a report on the gas turbine stating we have received compliments from SMMPA on the reliability and maintenance of the unit.

General Manager Shurts distributed a graph showing outage causes on the electric system. The graph indicated there were 65 outages in 2004 resulting in 205,062 customer outage minutes. The main causes of outages included squirrels, cable faults, lightning, and others. The reliability percentage is 99.996%.

General Manager Shurts distributed graphs indicating customer usage by utility and customer class. He noted the industrial base in electric has dropped since 2000, but the commercial base has increased 126% in 10 years as well as residential increasing 27%. Water indicated similar trends with natural gas indicating industrial down 18%, residential down 5% and commercial up 57%. The decrease in natural gas is due partially to mild winters and energy conservation programs.

General Manager Shurts informed the Commission, Enfinity Energy will be launched in 2005. The purpose of branding municipal utilities is to demonstrate to customers the benefits of having a municipal utility as a provider. The first program to be launched from Enfinity Energy is Service Guarantees. If the utility fails to meet a set of pledges, the customer will be given a \$20 credit on their bill.

HR/Administration Supervisor Madson distributed a property insurance report.

Gas Marketing Manager Green reported staff will work with the Four Season's staff in regards to rebates for upgrades needed to the ice arena, such as a dehumidification system to help eliminate fog.

Marketing/Energy Conservation Analyst Roger Warehime presented the Commission with a report summarizing the Conservation Investment Program results comparing 2003 to 2004. Mr. Warehime reported there was a slight decrease in the air conditioning rebates, a big increase in the clothes washing rebates, as well as increases in the dishwasher and refrigerator rebates. He noted an estimated 1300 residential customers received rebates.

The next item Mr. Warehime discussed was the end use survey conducted in the Fall of 2004. Mr. Warehime distributed a presentation containing pertinent points from the survey. He noted, the residential survey was not a customer satisfaction survey, but was to indicate the type of appliances customers have in their homes and the age of these appliances. There was also a survey conducted of the commercial and industrial customers which asked questions about the value of different services we may be able to provide. Some items of valued indicated included electronic interface for bills as well as several other items. Discussion ensued.

City Administrator's Report

City Administrator Sparks reported the City Council met with the Steele County Board and are working on economic development and a strategic plan.

Commission Roundtable

Commissioner Emanuelson – Does the MMUA staff have a view on the Enfinity Energy brand? General Manager Shurts replied, we have had conversations with them, and they would love to see it happen, but at this point, they don't want to be involved.

Commissioner Schreiner – The Personnel Committee will meet in February to give Steve a review.

Commissioner Mayhew – Do we have a policy on Internet use and employees conducting personal business on company time. General Manager Shurts replied, yes. Mr. Mayhew continued, he is impressed with the reliability.

Commissioner Truelson – Thanks to the staff for all their efforts.

Dave Ihrke – Thank you to the Utilities for the rebate check the School District received.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:42 p.m.

Respectfully submitted,

Tammy Schmoll
HR/Executive Assistant

BID TABULATION

Project: Remodel Main Office Building

WO #: 23245

Date/Time of Opening: 1/21/05 2:00 p.m.

Budget #: 05-9000-0013

Budget Amt: \$750,000.00

WO Amt: \$750,000.00

Acct. Number: 1390.000

Vendor	Bid Security	Signed Contract	Amount Bid
CM Construction Co.	Yes		\$539,800.00
Floyd Larson Const. Co.	Yes		\$589,000.00
Gen-Con Construction	Yes		\$545,900.00
JD Driver	Yes		\$615,000.00
Merrimac Construction	Yes		\$606,349.00
Met Con Construction	Yes		\$519,730.00 **
Rocon Construction	Yes		\$593,000.00
Wagner Construction	Yes		\$557,000.00
Wilcon Construction	Yes		\$542,200.00

** - Apparent Low Bidder

Bidders List

Project: Remodel Main Office Building

List of Firm Furnished Bid Documents:

**Brennan Construction
CM Construction Company
Casey & Groesbeck
Floyd Larson Construction Co.
Gen-Con Construction
Healy Construction Co. Inc.
JD Driver
Joseph Company
Kratovich Construction Co.
Merrimac Construction
Met Con Construction
Niles-Weise Construction Co. Inc.
RCR Construction Co.
Rocon, Inc.
Schroeder/Leverington, Inc.
Wagner Construction
Wilcon Construction**

List of Ineligible Bidders:
