

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Mayhew, Schreiner, Noyce and Emanuelson. Also present were General Manager Shurts, City Administrator Sparks, Finance Manager Bruno, Gas Marketing Manager Green, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll. Special guests included Ray Hayward and Dave Geschwind of SMMPA.

Dave Geschwind led the pledge of allegiance.

### **Minutes**

The Minutes from the regular meeting of December 23, 2003 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

### **SMMPA Presentation**

Dave Geschwind from Southern Minnesota Municipal Utilities Association (SMMPA) gave an overview of what SMMPA accomplished over the past year as well as their plans for the future. Discussion ensued throughout the presentation.

### **Committee Reports**

Personnel Committee - Commissioner Schreiner reported the Personnel Committee met and discussed two issues. The first issue dealt with upcoming retirements. He reported there will be three in the next six months as well as 20 employees eligible for retirement by 2010. The other issue discussed was a wage increase for the exempt employees. The Personnel Committee recommended a 2% increase for the exempt employees. Commissioner Mayhew moved to approve the 2% increase. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Finance Committee – Commissioner Mayhew reported the Finance Committee met, discussed and approved one work order, financial statements and vouchers. The Finance Committee also discussed 2003 year end figures.

### **Contributed Services**

The Contributed Services report as of December 31, 2003 was presented to the Commission. General Manager Shurts also presented graphs detailing total contributed services versus total revenues from 1997 to present. The Commission signed the report.

### **General Manager/Staff Report**

General Manager Shurts reported Mayor Tom Kuntz was nominated and elected to the APPA Policy Maker's Council.

General Manager Shurts reported on his trip to Washington, D.C. for the APPA Legislative Rally.

General Manager Shurts reported on the joint service territory venture with Steele-Waseca Coop Electric as well as the proposed buyout from Alliant Energy. He reported the final draft for the joint

service territory venture has been sent to Steele Waseca and we are awaiting a reply from them. He further reported the draft buyout proposal was sent to Alliant and they have responded by asking for 10 mils instead of 8 and a moving window on the buyout. Negotiations will continue.

Mr. Shurts reported OPU will host a one hour seminar for the Commissioners on finances at OPU. Finance Manager Bruno will conduct the seminar.

Mr. Shurts distributed retained earnings graphs. Mr. Shurts also distributed graphs detailing revenues for each commodity. Each graph shows revenues for residential, commercial and industrial customers from 1994 to present. The Commission also discussed the Z score for OPU.

Gas Marketing Manager Green reported on the rate survey graphs. He reported every six months Mr. Finholdt does an analysis of other utilities and their rates. The rate position of OPU was discussed in every classification. Mr. Green also updated the Commission on the natural gas transaction with an agency out of Nebraska. He reported it will save OPU \$14,888 dollars in January and because we hedge our gas, we have saved \$1.3 million.

### **City Administrators Report**

City Administrator Sparks reported the BRE committee will be visiting Slidell. Mr. Sparks also reported on legislative issues as far as annexation that will be discussed over the next year. Basically the legislation would give the township residences the opportunity to vote on whether their township should be annexed into the City or not. The City of Owatonna does not agree with that philosophy.

Mr. Sparks also reported on the sesquicentennial stating the ground breaking for the band shell in Central Park took place. Also, the building on the corner of Rose and Cedar, that had a fire, has been cleared for remodeling.

### **Commission Roundtable**

Commissioner Noyce – Nothing.

Commissioner Emanuelson – Nothing.

Commissioner Mayhew – Are we better today as far as reliability than we were six months ago? General Manager Shurts replied, OPU's reliability is good, and as a region there haven't been any major changes but reliability is something we continue to address. Mr. Mayhew finished by complimenting the credibility and lack of variances in the OPU budget.

Commissioner Schreiner – Nothing.

Commissioner Truelson – Nothing.

**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 6:00 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant