

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Mayhew, Moen and Schreiner. Absent was Commissioner Noyce. Also present were General Manager Kuntz, Finance Manager Bruno, Field Services Manager Morgan, Manager of Gas Marketing Green, HR/Administrative Supervisor Madson, Information Services Supervisor Turnbull, Accountant Teresa Hottman and Administrative Assistant Tammy Schmoll. Guests included Mr. Bill Fahey, FWW Financial; Mr. Mike Smith, Rochester Public Utilities and Mrs. Jodi Kvaas, Owatonna Peoples Press.

Teresa Hottman led the Pledge of Allegiance.

Minutes

The Minutes from the rescheduled meeting of December 17, 2002 were presented to the Commission. Commissioner Moen moved to approve the Minutes as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Moen reported the Finance Committee met, reviewed and approved the Vouchers, Investment Report and Financial Statements.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee did not meet. Their next meeting is scheduled for February 4, 2003. Discussion ensued on a management salary increase for 2003. Commissioner Schreiner moved to grant a 3% increase, effective January 1, 2003, to all management personnel. Commissioner Moen seconded the motion. All Commissioners voting Aye, the motion passed.

Triad Key Account Update

General Manager Kuntz introduced Mr. Mike Smith from Rochester Public Utilities. Mr. Smith presented a Key Account update to the Commission.

Bond Refinancing

Finance Manager Bruno reported to the Commission the bond refinancing project is ready to be approved. After a brief recap, Mr. Bruno report to the Commission a motion needs to be made to approve the Forward Delivery Bond Purchase Agreement, an Official Statement, a Second Supplemental Revenue Bond Resolution, an Amended and Restated Revenue Bond Resolution; a Continuing Disclosure Undertaking and certain other actions. All documents would be covered under Resolution 1.2 unless legalities warrant adding Resolution 1.3 and 1.4 to the Second Supplemental Revenue Bond Resolution and the Amended and Restated Revenue Bond Resolution, respectively. Commissioner Moen moved to approve Resolution 1.2 relating to the Bond Refunding covering a Forward Delivery Bond Purchase Agreement, an Official Statement, a Second Supplemental Revenue Bond Resolution, an Amended and Restated Bond Resolution, a Continuing Disclosure Statement and Certain Other Actions with the stipulation if legalities require, the Second Supplemental Revenue Bond Resolution will become Resolution 1.3 and the Amended and Restated Revenue Bond Resolution will become Resolution 1.4. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

Tree Trimming Bid

The attached bid tabulation was presented to the Commission for 2003 Tree Trimming. Staff recommends awarding the bid to the evaluated low bidder, Asplundh Tree Experts Co. Commissioner Schreiner moved to award the bid to the evaluated low bidder, Asplundh Tree Experts Co., in the amount of \$223,080. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

Well House #6 Bid

The attached bid tabulation was presented to the Commission for the rebuild of Wellhouse #6. It was noted, this is a rebid. The original bid went out in 2002 with all bids being rejected. Staff's recommendation is to award the bid for Wellhouse #6 to the evaluated low bidder, the Joseph Company Inc. Commissioner Mayhew moved to award the bid to the evaluated low bidder, the Joseph Company Inc., in the amount of \$164,000. Commissioner Moen seconded the motion. All Commissioners voting Aye, the motion passed.

Internet Use Policy

Information Services Supervisor Turnbull reported this policy is a revision to our current policy. The revised policy adds more features and tries to include areas of security. After discussion, Commissioner Moen moved to approve the Internet Use policy as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Kuntz directed the Commission's attention to Policy #501.09, Energy Acquisition Adjustment which also needed to be approved. Commissioner Mayhew moved to approve Policy #501.09, Energy Acquisition Adjustment. Commissioner Moen seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of December 31, 2002 was presented to the Commission for their approval. Commissioner Mayhew moved to approve the Contributed Services report. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager's Report

Manager of Gas Marketing Green gave a presentation to the Commission regarding 2003 Natural Gas strategy.

General Manager Kuntz informed the Commission of upcoming meeting dates for APPA and MMUA summer meetings.

General Manager Kuntz reported to the Commission on four water main breaks we have had this year.

Commission Roundtable

Commissioner Schreiner – Nothing.

Commissioner Mayhew – I liked hearing about the customer contacts and the marketing information.

Commissioner Moen – Is the audit currently being conducted? Finance Manager Bruno reported the audit is ongoing and the auditors will be in house February 19 – 22. The final report will be presented at the March meeting.

Commissioner Truelson – Thanks to all the Commissioners, employees and staff for the work on the refinancing.

Audience Comments

Bill Fahey – To receive an A1 credit rating is not easy, congratulations.

Adjournment

There being no further information to come before the Commission, Commissioner Moen moved for adjournment. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:37 p.m.

Respectfully submitted,

Tammy Schmoll
Administrative Assistant