

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, Director, Field Services Morgan; Manager, HR & Customer Service Madson; Supervisor, Energy Management Warehime, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll. Special guests included Roger Wacek; Kay Klemmer and Keith Peterson of Northern Natural Gas.

Roger Wacek led the Pledge of Allegiance

Minutes

The Minutes from the rescheduled session of February 21, 2006 were presented to the Commission. Commissioner Emanuelson moved to approve the Minutes as presented. Commissioner Schreiner seconded the motion. Commissioner Mayhew abstained from voting. All remaining Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved financial statements, investments, cash flows, vouchers and one unbudgeted work order for installation of a regulator station on the corner of 18th St. and Cedar Ave. S.

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

Employee Recognition Resolution

General Manager Shurts directed the Commission's attention to a Resolution Authorizing Expenditures for Employee Recognition Events and Related Activities. He noted, this Resolution is similar to what other cities are adopting for employee recognition. He stated, the amount allowed for employee recognition will be determined each year, by the Commission, in the annual budget process. Commissioner Schreiner questioned the verbiage regarding "additional compensation". After discussion, Commissioner Emanuelson moved to table the Resolution to the April meeting. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

25 MVA Transformer for West Owatonna Substation Bid Tabulation

The attached bid tabulation for the purchase of 25 MVA transformers for the West Owatonna Substation was presented to the Commission. After evaluation, staff recommended awarding the bid to the apparent low bidder of Kuhlman Electric Corporation in the amount of \$843,180.00. After discussion, Commissioner Mayhew moved to award the bid to Kuhlman Electric Corporation in the amount of \$843,180.00. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Outdoor Breaker West Owatonna Substation Bid Tab

The attached bid tabulation for Outdoor Breakers at the West Owatonna Substation was presented to the Commission. Staff recommended awarding the bid to the apparent low bidder of Burmeister Electric Co. in the amount of \$50,975.00. After discussion, Commissioner Schreiner moved to award the bid to the evaluated low bidder, Burmeister Electric Co. in the amount of \$50,975.00. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of February 28, 2006 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported to the Commission on the APPA CEO Roundtable conference he attended in Arizona. He noted the electricity market was the "hot topic" of discussion. He further noted he and Roger Warehime will be attending the MMUA legislative rally in St. Paul later in the week.

General Manager Shurts reported the Public Utilities Commission will be reviewing and approving the transfer of the Majestic Oaks service territory from Alliant to OPU later in the week as well.

Manager, HR & Customer Service Madson reported the advertisement for the Engineering Technician has expired and no qualified applications, internal or external, were received. She further noted, we will advertise again at a later date. Mrs. Madson updated the Commission on the progress of the CIS and Financial System upgrade.

Supervisor, Energy Management Warehime reported on several items to the Commission. First, Mr. Warehime reported to the Commission he will be hosting a contractor's seminar on High Efficiency Boilers. The second item referred to the Owatonna Business Incubator (OBI). Mr. Warehime reported OPU helped the OBI with the replacement of a heating unit which should save them about \$6,000 a year. He further noted, there are ongoing discussions with the City of Owatonna regarding energy conservation measures in their facilities, as well.

The next item Mr. Warehime reported on is the *Plug-In Partners* program originating in Austin, Texas and sponsored by APPA, designed to support automakers in the production of hybrid electric automobiles. When the vehicles become available, OPU will be placed in a queue to possibly purchase one at that time.

The last item reported to the Commission by Mr. Warehime is the *Vending Miser* program. He noted, an electronic eye is placed on soda vending machines that will shut the compressor off after a certain amount of non-use. It is also set up to work with the soda machine to ensure the soda stays cold. Currently OPU is testing one of these devices which demonstrated a 60% reduction in energy usage.

Director, Field Services Morgan reported, the MnOPS inspection will be conducted the last week of April. Mr. Morgan introduced Kay Klemmer and Keith Petersen of Northern Natural Gas (NNG). He discussed the project underway to transfer ownership from NNG to OPU of the gas line that runs from NNG's regulator station south of the city to OPU's regulator station at the corners of 18th St. and Cedar Ave. This project also includes the removal of OPU's regulator station, at the location, and installation of a much smaller regulator, across Cedar, to be located behind the Steele County Free Fair sign. Mr. Morgan added that assuming ownership of the line into town will improve public safety and allow for growth in demand.

General Manager Shurts distributed the *2005 Year in Review* booklet. He discussed it briefly and stated if anyone has any questions, they can e-mail or call him or bring questions to the next meeting.

Commission Roundtable

Commissioner Emanuelson – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Mayhew – Nothing.

Commissioner Noyce – Nothing.

Commissioner Truelson – The Steele County Safety Fair is scheduled for April 19th & 20th at the Owatonna Armory. Also, thank you to Dan Morgan for hosting the Arc Training.

Audience Comments

Roger Wacek explained his presence at the meeting and complimented the Commission on their discussions and high degree of understanding of the issues.

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 5:19 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

Bidders List

Project: Purchase 25 MVA Transformers for WOS

List of Firm Furnished Bid Documents:

American Power & Communications Group (Howard Transformers)
Electro Tech (Waukesha Transformers)
Energy Product Sales (S & C Circuit Switcher)
Kuhlman Electric (Kuhlman Transformers)
Pro-Tech Power (Delta-Star Transformers)

List of Ineligible Bidders:

BID TABULATION

Project: Outdoor Breakers to WOS

WO #: 23291

Budget #: 06-2110-0117

Date/Time of Opening: 3/15/06 10:00 a.m.

Budget Amt: \$575,000.00

WO Amt: \$575,000.00

Acct. Number: 1355.000

| Vendor | Bid Security | Signed Contract | Amount Bid |
|-------------------------|---------------------|------------------------|-------------------|
| Burmeister Electric Co. | Yes | Yes | \$50,975.00 |

** - Apparent Low Bidder

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