

The Owatonna Public Utilities Commission met in regular session in the OPU Main Building Break room. Present were Commissioners Truelson, Mayhew, Noyce and Emanuelson. Absent was Commissioner Schreiner. Also present were General Manager Shurts, Finance Manager Bruno, Field Services Manager Morgan, Gas Marketing Manager Green, HR/Administration Supervisor Madson, Accountant Teresa Hottman, Marketing/Energy Conservation Specialist Roger Warehime and Executive/HR Assistant Tammy Schmoll. Special guests included Pat Powers from Olsen, Thielen, & Co., Ltd.

Mr. Powers led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of March 22, 2005 were presented to the Commission. Commissioner Mayhew moved to accept the Minutes as presented. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved the financial statements, investments, and vouchers. He noted, equity is sliding, but nothing to be alarmed about at this time. Mr. Mayhew further reported the Finance Committee has received a draft copy of the Financial Reserves Policy and will be reviewing that over the next 60 days.

Personnel Committee – Commissioner Emanuelson reported the Personnel Committee and the rest of the Commission performed Steve's performance appraisal.

2004 Audit Report

Finance Manager Bruno introduced Pat Powers from our auditors, Olsen, Thielen, & Co., Ltd. Mr. Powers discussed the audit report with the Commission. Commissioner Mayhew inquired if there were any concerns with the investments. Mr. Powers replied, no, most of the investments are conservative. Mr. Powers also discussed OPU's debt level stating it is really good. Discussion ensued. Mr. Powers then discussed two letters. The first is Olsen, Thielen's report on legal compliance. He reported there are no concerns at this time. The second letter is the Management Letter. Mr. Powers noted the Management Letter addresses prior comments and if new issues were found. Most of the issues found will be addressed with the new computer accounting system. After further discussion, Commissioner Mayhew moved to approve the Audit as presented and have clarification on questions presented at the next meeting. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of March 31, 2005 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts discussed with the Commission his professional development. Mr. Shurts recommended attending the APPA National Conference every other year and attend a different

conference, such as the Business and Financial Conference, in the opposite year. Commissioner Emanuelson recommended Mr. Shurts attend what he sees as appropriate and send subordinates as he feels necessary, as well. The Commission agreed. Commissioner Truelson added, just let us know who is attending and when.

General Manager Shurts presented a request from the Riverland College and Owatonna High School asking OPU to donate \$5,000 for training to come out of our Economic Development budget. After discussion, the staff and Commission agreed this request was outside the scope of our Economic Development policy and denied the request.

General Manager Shurts presented two graphs to the Commission. The first shows our peak demand since 1947 and the second indicates our all-time high in 2001.

Marketing/Energy Conservation Specialist Roger Warehime discussed current notification procedures for Peak Alerts. He noted, there are two types of customers notified. The first are those who are under contractual obligation to shed load. Those customers are contacted by phone. The other customers are those who are not obligated to shed load. Those customers are contact by e-mail or pager. We are going to be contacting each customers to make sure they are still the proper contact and indicate how they would prefer to be notified. Mr. Warehime also noted, a phone call is made to local radio stations and to the Chamber of Commerce who sends out a mass e-mail.

Gas Marketing Manager Green reported to the Commission, we have acquired Crane Creek's natural gas load from Minnegasco. Mr. Green also reported recent customer contacts included Lakeside Foods, Pillsbury College and the Owatonna Business Incubator (OBI). OPU will be working with Pillsbury to help them reduce energy costs and with OBI to help market their new service.

Field Services Manager Morgan discussed the downtown flower pots and street light pole painting with the Commission. Commissioner Truelson inquired how the switch from the intermediate system to the high system is progressing. Mr. Morgan replied, we have all the easements for the pipe replacement and we will be working with customers on the timing. Mr. Truelson further inquired on the tree trimming schedule. Mr. Morgan replied, the crew is caught up and moving ahead on schedule.

HR/Administration Supervisor Madson reported a replacement Boiler Operator has been hired for the gentlemen who left in February. The new employee's name is Mark Fielding and he will be starting May 9, 2005.

Commission Roundtable

Commissioner Noyce – Nothing.

Commissioner Mayhew – Nothing.

Commissioner Emanuelson – Nothing.

Commissioner Truelson – Nothing.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn the meeting. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the meeting adjourned at 6:01 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant