

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Emanuelson, Stansberry, Mayhew, Schreiner and Ihrke. Also present were General Manager Shurts; City Administrator Busse; Director, Financial & Administrative Services Bruno; Director, Electric, Engineering & Meter Services Johnson; Director, Gas, Water & Power Production Green; Manager, HR, Safety, Risk & Loss Control Madson; Manager, Energy Management & External Relations Warehime; Supervisor, Gas, Water, Buildings & Grounds Bendorf; Supervisor, Information & Financial Services Turnbull; and Executive/HR Assistant Schmoll.

Commissioner Mayhew led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of March 24, 2009 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

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed Union negotiations. He reported negotiations are still on going and the Committee will report back any progress.

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved Vouchers totaling \$5,697,848.42, the variance report, income statements, and cash flow statements. He further reported the Committee discussed the possibility of a rate stabilization policy to offset future rate increases to give the customer a flatter, gradual increase in rates and noted it will be discussed further at future meetings.

City Administrator's Report

City Administrator Busse gave an update on the flood mitigation project noting after researching an additional option, a tentative agreement is being drafted which provides similar flood protection for the southeast part of town while also addressing the property owners concerns. Ms. Busse further reported the City is working on becoming compliant with the 800 megahertz radio frequency requirements.

Contributed Services

The Contributed Services report as of March 31, 2009 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported he participated in a presentation to the City Council on the benefits of the Owatonna Partners for Economic Development and received an email compliment from Council Member Falk on OPU's participation.

General Manager Shurts reported Medford will be constructing a whole new potable water treatment plant and therefore, OPU will not be supplying them water. However, since they are our neighbor, OPU will help them in other ways if possible.

General Manager Shurts noted he attended a meeting of the Minnesota Municipal Gas Agency and while several things were discussed, the pre-pay option for natural gas is still on hold.

Supervisor, Gas, Water, Buildings & Grounds Bendorf reported the water tower in the industrial park, as well as the Fairgrounds water tower, were cleaned and OPU is pleased with the work performed. He further noted paint work was done on the Central Water Works, and work is continuing on #8 tower on Rose Street.

Manager, Energy Management & External Relations Warehime reported OPU continues to receive positive comments regarding the Home Energy Reports and noted energy audit requests are up. He further noted there have only been 8 customers who have opted out of the program. Commissioner Ihrke inquired on how often the Home Energy Reports will be generated. Mr. Warehime replied, every other month.

Director, Electric, Engineering & Meter Services Johnson reported Barr Engineering has returned a feasibility study on Wells #2 and #4 which are in the flood plain. The costs involved with each project came back rather high and therefore, we will be checking into some other options. Another reason for the feasibility study was to determine if stimulus money was available for a project of this type. It was determined a 20% grant would be available, however there are many stipulations involved in obtaining the grant that would add about 20% back to the cost of the project, offsetting the grant money which, in the end, doesn't help the project. Commissioner Emanuelson inquired about the cost associated with drilling a new well. Mr. Johnson replied, the cost is about \$500,000 - \$600,000 but we'd also need the land, the building and the water main extension. Supervisor Gas, Water, Buildings & Grounds Bendorf added, we have a good water supply, good backup generation, and infrastructure to tie into, so we may be able to reuse the material from the existing wells. We are also looking into getting more years out of the current well by extending the casing to try to alleviate flooding problems.

Manager, HR, Safety, Risk & Loss Control Madson invited the Commission to attend a retirement party for Ellwood Hansen who will be leaving after 41 years with OPU. She also noted Wally Hansen, SCADA operator, will be retiring on May 31st after 34 years of service with OPU and added his replacement has been hired and will begin training on May 1st.

Director, Financial & Administrative Services Bruno informed the Commission OPU will be changing the company who processes our credit cards which will save OPU about \$12,000 a year in fees.

Director, Gas, Water & Power Production Green reported several requests for new antennas on the water towers are being received. Also, Mr. Green reported the natural gas hedging program is moving forward and OPU will be 50% hedged by the end of Spring.

Commission Roundtable

Commissioner Schreiner – I want to thank Chuck for everything you have done on the Commission, and consider it an honor to have served on this Board with you. The utility is better off over the last 10 years due to you and the questions you ask.

Commissioner Ihrke – I agree with Scott. I have enjoyed working with you the last few years. Also, thank you to Doug who made a donation of cabinets to the School District.

Commissioner Stansberry – I believe you, Chuck, are a financial wizard in every sense of the word. You command respect and people look to you for your advice. You are the Donald Trump of the utility industry.

Commissioner Emanuelson – I would like to thank Chuck for his guidance, direction and leadership especially on the Finance Committee over the past few years.

Commissioner Mayhew – I would like to thank the management team headed by Steve. All of you have something special, keep it going and don't take it for granted. We need to do all we can for the community and this utility has the power and the intelligence to do that. I appreciate all of you tolerating all of my questions. I felt it was my duty and I have been proud to be part of this organization for 10 years. The Commissioners are in a unique position to move this utility forward. Thank you all very much, I'm glad and proud to have been here for 10 years. General Manager Shurts added, we have all grown and are better because of you. Your tough questions have made our financial reporting better than ever and we are all able to understand it now. We will miss you and appreciate everything you brought to the Commission.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:56 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant