

The Owatonna Public Utilities Commission met in regular session in the Main Building Break Room. Present were Commissioners Truelson, Schreiner, Noyce and Emanuelson. Absent was Commissioner Mayhew. Also present were General Manager Shurts, City Administrator Sparks, Finance Manager Bruno, Field Services Manager Morgan, Gas Marketing Manager Green, HR/Administrative Supervisor Madson, Engineering Technician Doug Bendorf, Marketing/Energy Conservation Specialist Roger Warehime and HR/Executive Assistant Tammy Schmoll.

Doug Bendorf led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of April 26, 2005 were presented to the Commission. Commissioner Emanuelson inquired if during the discussion on Peak Alerts if we had agreed to do a trial run. Mr. Warehime replied we had discussed it but hadn't decided on whether it would be done or not. Commissioner Schreiner moved to approve the Minutes. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

### **Election of Officers**

President Truelson asked for nominations for the office of President. Commissioner Emanuelson moved to nominate Commissioner Truelson as President, that nominations cease, and a unanimous ballot be cast for Raymond Truelson as President. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

President Truelson asked for nominations for the office of Vice President. Commissioner Schreiner moved to nominate Commissioner Mayhew as Vice President, that nominations cease and a unanimous vote be cast for Chuck Mayhew as Vice President. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Finance Report – Commissioner Noyce reported the Finance Committee meet, reviewed and approved the vouchers, cash disbursements, investment report, and financial statements.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and HR/Administrative Supervisor Madson gave a staffing update reporting that two positions previously budgeted were still open. One of the positions in the electric line crew and the other is in the gas/water crew. Commissioner Schreiner further reported that the Personnel Committee discussed the cost of living increase over the general wage increase of 2.5%. He reported it is in the Union Contract that the union employees get a cost of living increase if the March CPI-U is above the average wage increase. The CPI-U for March of 2005 was 3.1%. Therefore effective June 1, 2005 the Union employees would receive a 3.1% increase versus the 2.5% scheduled in the Union Contract. Mr. Schreiner further reported the Personnel Committee felt it appropriate to allow the exempt employees to get the same. Mr. Schreiner noted the budget to actual will be significantly more due to not hiring the two people that were budgeted in the beginning of the year as well as some employees are still in progression. Commissioner Schreiner moved to allow the exempt employees to receive a .6% increase, which is the difference between the 2.5% received on January 1, 2005 and the 3.1% cost of living increase, effective June 1, 2005. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

**Contributed Services**

The Contributed Services report as of April 30, 2005 was presented to the Commission. Commissioner Emanuelson noted the amount is considerably less than normal. General Manager Shurts commented this is due to the lower gas usage, as well as other conservation efforts taken by the City. The Commission signed the report.

**Four Season's (City/County Agreement)**

City Administrator Sparks gave a history of activities surrounding the Four Seasons building's expansion of the second sheet of ice. He noted the County wanted to see the building expanded, but could not afford it without additional financial support. So, a joint powers agreement was reached between the City and County for the second sheet of ice. The City Council agreed to provide contributed services for the second sheet of ice up to \$55,000 per year with a maximum of \$650,000 in total. Now in 2005, the County has requested the Owatonna Foundation help with a dehumidification system for the Four Season's building. The Owatonna Foundation requested the County Board work out an agreement with the City Council for the operation of the building before the request for the dehumidification system would be approved. Therefore a working group consisting of City Council members, City Employees, County Commissioners, and county employees, including staff members from the Four Seasons building, drafted some recommendations to be presented to the Owatonna Foundation, the City Council and the County Commission. One of the recommendations is for the City to provide 100% of the utility services as contributed services for the Four Seasons building. Mr. Sparks added, the City Council would like the OPU Commission's opinion and would take their opinion into consideration when deciding about contributed services for the Four Season's building. Commissioner Emanuelson inquired what would be the effect on rates? General Manager Shurts replied, currently we are providing about half of the utilities for the year so it would be about a \$55,000 impact. In the overall scheme, it would not be a very large impact. Commissioner Truelson inquired as to when the Council would like a decision. City Administrator's Sparks replied, that is the problem. The Owatonna Foundation meets on June 14<sup>th</sup> and would like a decision by that time from the County. After considerable discussion, the Commission agreed to table the item and have a special meeting to discuss it further.

**General Manager/Staff Report**

General Manager Shurts reminded the Commission he will be attending an APPA Business Conference in September and therefore the September meeting will need to be rescheduled. HR/Executive Assistant Tammy Schmoll will send an e-mail offering suggested reschedule dates.

Engineering Technician Doug Bendorf and Field Services Manager Morgan reported to the Commission on some corroded pipe found out by Meriden. Mr. Bendorf reported an agricultural drain tile was to be installed requiring our gas main be uncovered. When this happens, we are required to inspect it the main for corrosion. When the gas main was uncovered, a scab was found on the pipe joint. Two others were located as well. Several steps were taken to get the proper authorities lined up to determine which steps needed to be taken. As it turned out, the wall thickness of the pipe was acceptable for its intended use. In an upcoming budget, we will include funds for inspecting transmission lines. We may also be required to install a PIG launcher and catcher at either end of the transmission line. The PIG inspects the pipe from the inside to measure wall thickness and coatings.

Engineering Technician Doug Bendorf reported to the Commission on the building project. He distributed a table showing where the project is at in respect to the budget thus far. He noted several issues that came up since the project started as well as other changes that were made for aesthetic reasons. He noted the tuck pointing is a completely separate issue that was not planned, but this is the best time to get it done. Commissioner Schreiner inquired as to the completion date. Mr. Bendorf reported, we are looking at mid September.

Finance Manager Bruno updated the Commission on the CIS project. He noted, proposals have been sent to 24 possible vendors. We have budgeted \$350,000 for this system, but are now looking at combining the Financial and the CIS systems. We are also looking at upgrading the phone system to integrate with the CIS. One demonstration included both the CIS and the financial system for approximately \$365,000. We have more money budgeted over the next three years for the financial system, so we may be looking at moving that money up to complete the project all at one time. The proposals will be reviewed and then we will have three vendors give demonstrations.

Gas Marketing Manager Green reported OPU was approached a few weeks ago from Northern Natural Gas to move the substation by Hy-Vee to a location outside the City limits. He reported a meeting has been set up to discuss this issue further.

### **City Administrator's Report**

City Administrator Sparks reported the City has hired a new Finance Director. His name is Brad Svenby. Mr. Svenby will be replacing Mr. Moeckly whose last day is May 31<sup>st</sup>. Mr. Sparks also discussed issues surrounding the Morehouse dam stating most of the current dam will stay with some bypasses.

### **Commission Roundtable**

Commissioner Noyce – Nothing.

Commissioner Emanuelson – Where are we with the Alliant Service Territory issue. Mr. Shurts reported, we have not heard back from Alliant.

Commissioner Schreiner – Nothing.

Commissioner Truelson - I will be attending Steele Waseca's Annual Meeting.

### **Adjournment**

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:44 p.m.

Respectfully submitted,

Tammy Schmoll  
HR/Executive Assistant