

The Owatonna Public Utilities Commission met in regular session in the Conference Room at the Owatonna Public Utilities. The meeting was moved to a different room due to flood damage in the Commission Room. Present were Commissioners Mayhew, Schreiner, Noyce and Emanuelson. Absent was Commissioner Truelson. Also present were General Manager Shurts; Director, Finance & Administration Bruno; Director, Marketing & Energy Management Green and Executive/HR Assistant Tammy Schmol.

Minutes

The Minutes from the regular meeting of May 23, 2006 were presented to the Commission. Commissioner Noyce moved to approve the Minutes as presented. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye with Commissioner Mayhew abstaining, the motion passed.

Committee Reports

Personnel Committee – The Personnel Committee did not meet.

Finance Committee – Commissioner Emanuelson reported the Finance Committee met, reviewed and approved the Vouchers, Financial Statements and Investments. Mr. Emanuelson also reported the Committee discussed the balance sheet, expenses, and cash flow. Staff was directed to maintain a list of top 20 customers for historical trends. Mr. Emanuelson also noted three work orders were approved. Two were authorizing the purchase of two new vehicles and the third was an addition to the Information Services system.

Medium Voltage Switchgear Bid Tab

The attached bid tab for the purchase of Medium Voltage Switchgear was presented to the Commission. Director, Finance & Administration Bruno noted 10 vendors were asked to bid with only four replying. Mr. Bruno noted the evaluated low bidder was Scholz Company with a bid of \$204,700.00. Mr. Bruno noted the actual evaluated price of the bid was lower due to sales tax being included in the bid amount. Commissioner Mayhew inquired on the warranty associated with such a bid. Staff will check into this matter. After discussion, Commissioner Emanuelson moved to award the bid for Medium Voltage Switchgear to the evaluated low bidder, Scholz Company, in the amount of \$204,700.00. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of May 31, 2006 was presented to the Commission. The Commission signed the report. General Manager Shurts noted a six month recap will be distributed at the next Commission meeting.

General Manager/Staff Report

General Manager Shurts distributed and discussed a table showing vehicle replacement and reassignment. He recapped the budgeted vehicle schedule for the current year as well as discussed vehicles damaged in the flood. He noted, there are only 2 vehicles above budget that need to be replaced due to the flood. He further noted, steps are being taken to reduce costs on these vehicles such

as installing removable tool boxes on the standard pickup box versus the custom work boxes which saves about \$2,500 per vehicle. Mr. Shurts also noted, we received very fair prices from the insurance company for the vehicles totaled in the flood.

General Manager Shurts reported to the Commission that he, Larry Koshire and Jim Walters of RPU, gave a presentation to the Minnesota Municipal Power Agency (MMPA) on branding and Enfinity Energy. Mr. Shurts noted the 11 members of MMPA will be joining Enfinity Energy for the branding and image. Discussion ensued.

General Manager Shurts distributed information on the Big Stone II power plant project as well as a draft resolution stating the Commission is in favor of the project. He asked the Commission to review the information and consider signing the Resolution at the next Commission meeting.

Director, Finance & Administration Bruno reported on the final numbers from the Sales Tax audit. He reported OPU will be required to pay \$231,723 dollars in interest and use tax that was not paid on certain items back to 2003.

Commission Roundtable

Commissioner Noyce – Nothing.

Commissioner Emanuelson – Was wondering why OPU was not mentioned in the newspaper article discussing the Economic Development team and what they have accomplished. General Manager Shurts replied, we are trying to keep a low profile while continuing to give our input. Commissioner Emanuelson continued, he was surprised to hear that our buildings are not covered under flood insurance. Staff will check on the cost of separate flood insurance.

Commissioner Mayhew – Nothing.

Commissioner Schreiner – Does OPU participate in the Leadership Owatonna program. General Manager Shurts replied, he participated last year and the next employee to participate will be Joe Green, Director, Marketing & Energy Management. Mr. Shurts briefly discussed the program.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:55 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Outdoor Breakers at WOS

WO #: 23291

Date/Time of Opening: June 19, 2006 2:00 p.m.

Budget #: 06-2110-0117

Budget Amt: \$575,000.00

WO Amt: \$575,000.00

Est. Budget Portion: \$180,000.00

Acct. Number: 1355.0000

Vendor	Bid Security	Signed Contract	Amount Bid
Scholz Company	Yes	Yes	\$204,700.00 **
Keystone Electrical Mfg. Co.	Yes	Yes	\$237,830.44
Myers Power Products Inc.	Yes	Yes	\$235,260.00
Myers Power Products Inc.	Yes	Yes	\$250,000.00
Pedersen Power Products	Yes	Yes	\$207,445.00
Pedersen Power Products (1)	Yes	Yes	\$213,940.00

(1) – Includes NETA testing

** - Apparent Low Bidder

Bidders List

Project: Outdoor Breakers at WOS

List of Firm Furnished Bid Documents:

**Scholz Company
Keystone Electrical Mfg. Co.
Myers Power Production, Inc.
Pedersen Power Products
Champion Charter
ElectroTech
L& L Substation
Parsons
Resco Electric Utility Supply
States Electric Manufacturing Co.**

List of Ineligible Bidders:

** - Apparent Low Bidder