

The Owatonna Public Utilities Commission met in regular session in the Main Building Break Room. Present were Commissioners Truelson, Mayhew, Schreiner, and Emanuelson. Absent was Commissioner Noyce. Also present were General Manager Shurts, Finance Manager Bruno, Gas Marketing Manager Green, Field Services Manager Morgan, Information Services Supervisor Turnbull, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll.

Information Services Supervisor Becky Turnbull led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of May 24, 2005 were presented to the Commission. Commissioner Mayhew moved to accept the Minutes as presented. Commissioner Schreiner seconded the motion. Commissioner Emanuelson stated a clarification needed to be made under the Personnel Committee reports in that the actual amount of payroll, even with the cost of living raise, would be significantly less than the budgeted amount due to not hiring two people and having some employees in progression. All Commissioner voting Aye, the motion passed with the clarification.

The Minutes from the special meeting of June 2, 2005 were presented to the Commission. Commissioner Emanuelson moved to approve the Minutes as presented. Commissioner Mayhew 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 balance sheet, income statement, investment report, Financial Statements and vouchers.

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

Tower #7 Repair & Repaint Bid Tab

Finance Manager Bruno presented the attached bid tabulation for the Repair and Repaint of Tower #7. Mr. Bruno noted we bid this project in December, 2004 and rejected all bids due to price. He further noted by rebidding this spring, we saved \$34,944. Staff recommends awarding the bid to Classic Protective Coatings in the amount of \$377,055. After discussion, Commissioner Schreiner moved to award the bid to the evaluated low bidder of Classic Protective Coatings in the amount of \$377,055. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

Financial Reserves Policy

General Manager Shurts presented the Financial Reserves Policy, Policy #800.10, to the Commission. He explained the need for a financial reserves policy is to cover such things as natural disasters, man-made disasters or loss of a big customers. Also, the policy will help direct staff in the setting of rates. Mr. Shurts noted the policy would be looked at towards the end of each year around budget time. After discussion, Commissioner Mayhew moved to approve the Financial Reserves Policy, Policy #800.10, as presented. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of May 31, 2005 was presented to the Commission. General Manager Shurts distributed and explained a graph showing contributed services by commodity. Discussion ensued. Commissioner Emanuelson requested a report be generated showing a running total of such added items like the soccer fields, the Four Season's Building or any other significant additions. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts recommended to the Commission to add Joe Green as the Alternate SMMPA Member Representative. President Truelson would need to sign the document. Commissioner Mayhew moved to appoint Joe Green as the Alternate SMMPA Member Representative. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed. President Truelson signed the approval form.

General Manager Shurts discussed the September Commission meeting reminding the Commission he will be gone to the APPA Business & Financial Conference during the regularly scheduled Commission meeting. The Commission agreed to change the date of the September Commission Meeting to Tuesday, September 20, 2005.

Information Services Supervisor Turnbull gave an update on how the new Customer Information System (CIS) is being approached. She noted a committee has been created and the committee has been working with Vision Companies, the same company who helped with the Strategic Plan. We have examined our current system, listed desired processes, identified requirements in the existing system and looked at what we'd like in a new system. We will also be including the financial process with this new system. An RFP was sent out to 24 vendors and 13 responses have been received. Some clarification questions have been sent back and we are waiting on responses. Mrs. Turnbull stated the goal for 2005 is to have a signed contract with a vendor who will supply the CIS system. Commissioner Mayhew inquired how transition will be handled. Mrs. Turnbull replied, we will run parallel for awhile. Commissioner Emanuelson inquired as to the price of the packages compared to budget. Mrs. Turnbull replied, we don't have prices at this point, but there are systems out there that fall into the range. We will be adding the financial process so the cost could be more than anticipated, however, we have separate dollars budgeted for that. In the long range, we expect to save money by getting a combined package. Commissioner Mayhew inquired as to when implementation would take place. Mrs. Turnbull replied, the first three months of 2006.

General Manager Shurts updated the Commission on the Alliant Service Territory issue. He noted a service territory team has been developed and have counter offered Alliant's proposal for the service territory that currently houses the new clinic and the Hospice House. Discussion ensued.

General Manager Shurts reported to the Commission the City Council of Rochester has decided to authorize a lawsuit between Rochester Public Utilities and SMMPA based on unfair rates and future generation.

Field Services Manager Morgan reported to the Commission on damages sustained during the storm on June 8th. He noted there were localized outages, but nothing serious. Mr. Morgan also updated the Commission on the gas leak downtown on June 9th. He noted, the curb box valve in front of St. Clair's had broken under the sidewalk causing St. Clair's and Kottke's Jewelers to fill up with natural gas. The gas was shut off on the 100, 200 and 300 blocks of N. Cedar and the 100 block of N. Cedar was evacuated. Approximately 120 customers were affected. Once the "all clear" was received, gas serviceworkers and Meter Shop personnel worked together to relight all the pilot lights.

Gas Marketing Manager Green updated the Commission on the energy management program and the peak alerts. Mr. Green noted the Schools were added to the Energy Management Program. Mr. Green also informed the Commission that 500 letters went out to customers encouraging them to put load management units on their central air conditioners. We received about 10% response as of this date.

Gas Marketing Manager Green updated the Commission on the sale of Aquila assets. He noted a bid was prepared through MMUA for the assets Aquila is proposing to sell and we were notified we would not be selected to be part of Phase Two.

Executive/HR Assistant Tammy Schmoll gave a building update to the Commission.

General Manager Shurts presented the Commission with a copy of the Strategic Plan for their review.

Commission Roundtable

Commissioner Mayhew – I appreciate the work on the Financial Reserves policy.

Commissioner Schreiner – Nothing.

Commissioner Emanuelson – I want to say thank you to the various crews who worked on the outages and the gas leaks.

Commissioner Truelson – If you are going to be gone for a Commission meeting, please call Tammy and let her know.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:36 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Tower #7 Repair & Repaint

WO #: 23205

Budget #: 05-2120-0015

Date/Time of Opening: May 25, 2005 1:00 p.m.

Budget Amt: \$380,000.00

WO Amt: \$380,000.00

Acct. Number: 2362.0000

Vendor	Bid Security	Signed Contract	Amount Bid
Odland Protective Coatings	Yes	Yes	\$427,500.00
Classic Protective Coatings	Yes	Yes	\$377,055.00 **
TMI Coatings, Inc.	Yes	Yes	\$407,600.00
Leadcon Inc.	Yes	Yes	\$402,600.00
Champion Coatings, Inc.	Yes	Yes	\$481,000.00

** - Apparent Low Bidder

Bidders List

Project: Tower #7 Repair & Repaint

List of Firm Furnished Bid Documents:

Classic Protection Coatings, Inc.

Odland Protective Coatings, Inc.

TMI Coatings, Inc.

Leadcon, Inc.

Champion Coatings, Inc.

M K Painting Inc.

Abhe & Svoboda

List of Ineligible Bidders:
