

The Owatonna Public Utilities Commission met in regular session in the training room of the Owatonna Fire Department. Present were Commissioners Cosens, Ihrke, Schreiner, Stansberry and Simon. Also present were General Manager Bruno; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering, Electric & Meter Services; Director, Gas, Water, & Power Production Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Information & Financial Services Turnbull; and Executive/HR Assistant Schmoll.

Commissioner Schreiner led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of May 24, 2011 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved disbursements in the amount of \$3,918,936.21. He further reported gas net income is coming in under budget by approximately \$300,000 due to a reporting change issue.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met to finalized the General Manager replacement process. He reported advertisements will begin as soon as possible and the closing date will be July 29th with the hopes of having the replacement on board the first week of October.

City Administrator's Report

City Administrator Busse discussed how the City will be affected by the pending state government shut down. Some of the areas affected include licensing; MnDOT (which affect the progress of highway 14); grants; right-of-way permits; plumbing and electrical inspectors (which causes delays in building inspections); and arson inspectors.

Resolution for Sub-Grant Agreement

General Manager Bruno explained this resolution is required by FEMA (Federal Emergency Management Agency) to authorize the President of the Commission and the General Manager to sign off on a sub-grant for federal assistance from the Commissioner of Public Safety, Division of Homeland Security and Emergency Management and other valid contracts related to the flooding in 2010. General Manager Bruno explained the resolution can be signed and approved but the actual contract will not be signed and sent in until we have some answers to questions we have submitted to them regarding generation. After discussion, Commissioner Schreiner moved to approve the Resolution as submitted. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

EM06 – Municipal Water Pumping Policy

General Manager Bruno presented the EM06 – Municipal Water Pumping Policy #501.80 to the Commission. He explained a few changes were made to accommodate how the new billing system

handles the demand charge. The change includes not billing the customer the demand charge unless they fail to curtail their designated amount. After discussion, Commissioner Schreiner moved to approve the policy as submitted. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of May 31, 2011 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Bruno reported SMMPA received notice from Xcel the EPA (Environmental Protection Agency) is stating violations have occurred at the SHERCO 3 plant concerning the replacement of reheat tubes in 2005. The EPA is claiming a permit should have been filed for the changes and that the pollutants are now exceeding limits. SMMPA & Xcel claim it was an internal issue with the boilers and did not affect the pollutants. SHERCO 3 is one of the cleanest plants in the country. Meetings between SMMPA, Xcel and the EPA will begin soon.

General Manager Bruno requested to move the August 23, 2011 Commission meeting to August 30, 2011 due to the MMUA Summer Conference. All Commissioners accepted the change.

Director, Financial & Administrative Services Fondell reported OPU will be pursuing a separate Federal Tax ID. Currently OPU and the City of Owatonna share one and it causes various problems from time to time. The Commission was in agreement.

Director, Financial & Administrative Services Fondell distributed a proposed budget schedule to the Commission. She explained the budget will be presented to the Commission at the October 25th meeting with a special meeting to discuss the budget scheduled for November 2nd.

Director, Engineering, Electric & Meter Services Johnson reported a contract has been signed with DNR (Department of Natural Resources) to mitigate wells #2 and #4. The goal is to have the wells elevated before snow comes.

Manager, Energy Management & External Relations Warehime reported the July newsletter will include a statement regarding the ending of the City Sales Tax. Because OPU bills on a month behind, the tax will continue to show on July bills due to part of the consumption being used in June. This is consistent with the way it was handled when the tax became effective. Also, in the July newsletter, Director, Gas, Water, & Power Production Green will discuss the GPS mapping system and reasons behind the project.

Manager, HR, Safety, Risk & Loss Control Madson reported Roger Brown retired from the SCADA Department on May 31st and his position was filled internally with a Meter Serviceworker, Wes Jones. In the Meter Shop, the position guide will be reviewed and adjusted and a replacement serviceworker will be sought.

Commission Roundtable

Commissioner Simon – A constituent inquired about a meter being broken and if there would be back charges. Manager, Energy Management & External Relations Warehime replied, it depends on the circumstances behind the situation.

Commissioner Stansberry – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Ihrke – Thanked OPU for their good work on fixing the water main leak by Lincoln School.

Commissioner Cosens – Thanked staff and employees for all the work they do on a daily basis and thanked the Commissioners for all their input.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:48 p.m.

Respectfully submitted,

Tammy Schmoll,
Executive/HR Assistant