

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Schreiner, Emanuelson, Truelson, and Mayhew. Absent was Commissioner Noyce. Also present were General Manager Shurts; Director, Finance & Administration Bruno; Director, Field Services & Engineering Morgan; Director, Marketing & Energy Management Green; Manager, Human Relations & Customer Service Madson; Supervisor, Energy Management Warehime; and Executive/HR Assistant Tammy Schmoll. Special guests included Mayor Tom Kuntz.

Commissioner Schreiner led the Pledge of Allegiance

### **Minutes**

The Minutes from the regular meeting of June 27, 2006 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. Commissioner Truelson abstained from the vote due to his absence at that meeting.

### **Committee Reports**

Personnel Committee – Commissioner Truelson reported the Personnel Committee did not meet however, they are working on the General Manager’s review and he will be sending review packets to all Commissioners.

Finance Committee – Commissioner Emanuelson reported the Finance Committee met, reviewed and approved the vouchers, financial statements, income statement and investments. He also reported they approved one work order in the amount of \$3,000 for a switch.

### **Auditor Selection Discussion**

Director, Finance & Administration Bruno distributed a handout detailing the current auditor status. He explained the contract is expiring and OPU has used Olsen, Thielen & Co., Ltd since 1986. Mr. Bruno also submitted a list of other potential auditors. Mr. Bruno stated staff is recommending getting proposals for a new auditor firm. After discussion, the Commission directed staff to develop a request for proposal for anew auditor firm.

### **Big Stone II Resolution**

General Manager Shurts presented a resolution to the Commission supporting SMMPA’s participation in the Big Stone II project. He reported, even after new figures have come in, the Big Stone II project is still the most cost effective generation for SMMPA to participate in. Mr. Shurts discussed the need for a “Certificate of Need” for the transmission system to be constructed in Minnesota. He further discussed the permits needed for the Big Stone II project and the action taken by the South Dakota Utilities Commission. He also discussed environmental issues, stating that, with the addition of Big Stone II, the entire Big Stone facility will produce fewer emissions than just Big Stone I and it will be a very clean power plant. After discussion, Commissioner Truelson moved to approve the resolution as of July 25, 2006 unless changes and price vary at which time the Commission will revisit the issue. Commissioner Mayhew seconded the motion. A roll call of Commissioners present was taken with Commissioner Emanuelson voting Aye, Commissioner Truelson voting Aye, Commissioner Mayhew voting Aye, and Commissioner Schreiner voting Aye. The motion passed.

**Contributed Services**

The Contributed Services report as of June 30, 2006 was presented to the Commission. General Manager Shurts also distributed a graph showing the percent of contributed services for the past 10 years. A discussion also ensued about marketing how much of a benefit the contributed services are to the community. Staff will discuss this issue. Commission signed the report.

**General Manager/Staff Report**

Mayor Tom Kuntz opened by thanking the Commission and staff for all their hard work and for helping in bringing the new hospital to Owatonna. He further reported to the Commission on the issues addressed at the APPA Summer Meeting and APPA Public Power Policymakers Meeting and thanked the Commission for the opportunity to represent Owatonna at these meetings. He also reported on the issues addressed at these meetings. Commissioner Truelson thanked Mayor Kuntz for attending the meetings. Mayor Kuntz left the meeting.

General Manager Shurts distributed and discussed a graph showing outages for the first six months of the year. He noted that lightning surpassed squirrels as the major causes for the outages.

Manager, Human Relations & Customer Service Madson reported to the Commission the two employees who were out on work comp. have returned to work with slight restrictions that should be lifted by the end of the year. She concluded by saying we are very pleased to have both employees back at work.

Supervisor, Energy Management & SCADA Warehime reported to the Commission the Owatonna Business Incubator (OBI) has been focusing mostly on marketing awareness of OBI so people can become more familiar with it. OBI has had discussions about focusing on trying to attract more of the medical industry. Commissioner Truelson requested an itemized list of what the OBI has spent the \$15,000 on, as well as a list of responsibilities from the Partners for Progress.

Director, Marketing & Energy Management Green reported that Units #6 and #7 ran the past week. He further reported the first Energy Management alert was called on July 17, as well as a peak alert the same day. He also reported a new peak was set the same day of 74.62 MW. General Manager Shurts discussed how the new peak affects our rates from SMMPA.

Commissioner Truelson inquired about the natural gas we have hedged for winter. Director, Marketing & Energy Management Green replied, the next hedging window starts in August. He further noted 25% of the winter natural gas has already been locked in and 50% will be locked in by November 1<sup>st</sup>.

**Commission Roundtable**

Commissioner Truelson – He explained his absence at the last meeting.

Commissioner Mayhew – He remarked he is very proud to be associated with OPU and the work they do and also feels OPU should take the opportunity whenever possible to promote all we offer to the community.

Commissioner Emanuelson – What is the status of flood insurance? Manager, HR & Customer Service Madson replied she is waiting for quotes to come back. Mr. Emanuelson further asked for an e-mail report after the August SMMPA meeting on the status of the Big Stone II project.

Commissioner Truelson – He would like to see an article generated for the newspaper regarding the benefits of getting rid of the natural gas regulator station on 18<sup>th</sup> St.

Commissioner Schreiner – Nothing.

**Adjournment**

There being no further business to come before the Commission, Commissioner Mayhew moved for adjournment. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:16 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant