

The Owatonna Public Utilities Commission met in rescheduled session in the Main Office Break Room. The meeting was rescheduled due to General Manager Shurts attending an APPA Conference. Present were Commissioners Truelson, Mayhew, Schreiner, Noyce and Emanuelson. Also present were General Manager Shurts; City Administrator Sparks; Director of Finance, IS & Meter Services Bruno; Director of Marketing, Power & Energy Manager Green; Manager HR & Customer Service Madson; Supervisor SCADA & Energy Management Warehime; Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll.

City Administrator Sparks led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of August 23, 2005 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Personnel Committee – The Personnel Committee did not meet.

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed, and approved the balance sheet, income and cash flow statements, and vouchers. He concluded by stating there was nothing out of the ordinary.

### **2006 Rates**

General Manager Shurts explained this discussion will inform the Commission what to expect in the budget in regards to rates. He noted, SMMPA is raising their wholesale rates by approximately 4.8%, which is in the form of a new on-peak energy rate. Director of Finance Bruno added, OPU is proposing a 5% rate increase to cover this. We will also be meeting with R.W. Beck to design rates that incorporate the SMMPA increase. The rates will be incorporated into the budget and will become effective January 1, 2006. Commissioner Truelson noted he would like to invite SMMPA to a meeting in the near future.

Director of Finance Bruno distributed a summary of proposed natural gas rates. He noted we are proposing to change the actual base rate for commodity while at the same time setting the Purchased Gas Adjustment (PGA) to zero. The overall increase to OPU's net income should be approximately 2.37%. Discussion ensued.

Director of Finance Bruno directed the Commission's attention to the water rates. He noted, we are proposing a 8.9% increase in the commodity rate for water which will result in an approximate \$7 increase per year to the customer. Discussion ensued.

### **Contributed Services**

The Contributed Services report as of August 31, 2005 was presented to the Commission. General Manager Shurts reported the overall Contributed Services percent is 1.94%. The Commission signed the report.

**General Manager/Staff Report**

General Manager Shurts reported the next Commission meeting is scheduled for October 25, 2005. We are asking the Finance Committee to try to wrap up their meeting by 3:20. We would like to have a flag raising at 3:30 p.m. which the VFW will do. There will be cookies and refreshment with staff available for tours. The regular Commission meeting could then start on time at 4:00 p.m.

General Manager Shurts discussed OPU vehicles with the Commission. He stated beginning in 2006 any new pickups or cars purchased will be white instead of yellow. He noted the change is due to less cost when purchasing, better resale value, more visible at night and the yellow on truck boxes fades differently than on the rest of the vehicles.

Executive/HR Assistant Tammy Schmoll reported the building project is reaching its final stages. The landscaping is complete outside, most of the tile work is done, and carpet will be completed next week. We are still waiting on lighting, but that should be done shortly. Also, Tammy discussed the fair drawing and what prizes were given away.

Manager of HR & Customer Service Madson discussed staffing changes. She reported one position is posted for a gas/water/maintenance worker.

Director Marketing & Energy Conservation Green distributed a graph showing the different components of natural gas pricing. He discussed what the natural gas market has been doing in regards to pricing and how it was affected by the two recent hurricanes. Mr. Green also discussed other ways OPU can look at to try to save money when purchasing natural gas. He talked in particular about the basis, which is the regional cost difference.

Supervisor SCADA & Energy Management Warehime distributed and discussed rate comparisons. He included information regarding customer charge comparisons this time. He noted we were higher than anticipated, so any rate changes will be done in the commodity charge and not the customer charge. He discussed each utility in detail. Discussion ensued.

**Commission Roundtable**

Commissioner Schreiner – Nothing.

Commissioner Mayhew – What are OPU's light duty practices? General Manager Shurts replied we try to keep them in house and working. Other discussions included any new liability claims, community response readiness to emergencies, and a planned outage.

Commissioner Noyce – Nothing.

Commissioner Emanuelson – When will budget books be distributed? General Manager Shurts replied at the October meeting.

Commissioner Truelson – I'll be attending the SMMPA Annual Meeting with Steve in October.

**Adjournment**

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:30 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant