

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Mayhew, Schreiner and Noyce. Absent was Commissioner Moen. Also present were Finance Manager Bruno, City Administrator Sparks, Field Services Manager Morgan, Manager of Gas Marketing Green, Engineering Supervisor Johnson, HR/Administrative Supervisor Madson, Energy Conservation/Marketing Specialist Finholdt, Accountant Teresa Hottman, Administrative Assistant Tammy Schmoll and Water Works Operator Myron Volker. Special guests included Andy Brewer from MMUA and Vern Jacobsen from TKDA Engineers.

Finance Manager Bruno introduced new employee Manager of Gas Marketing, Joe Green, to the Commission. Mr. Green led the Commission in the Pledge of Allegiance.

Minutes

The Minutes from the rescheduled meeting of August 28, 2002. Commissioner Mayhew moved to accept the Minutes as presented. Commissioner Noyce 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 Financial Statements, Vouchers and Investment Report.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed staffing issues.

Water System Overview

Field Services Manager Morgan introduced Mr. Vern Jacobsen from TKDA Engineers. Mr. Jacobsen discussed the water system of OPU with the Commission. Mr. Jacobsen reported, upon evaluation of the system, TKDA found the OPU system is lacking one full well in the high system as well as water storage capabilities. TKDA's recommendation is to add a valve storage tank in the high system, along with a booster station on the low system and a major storage reservoir. The booster station should have a backup generator that could be peak shaved on the electrical demand system. The backup generation would also ensure the system would be firm and on-line at all times. Natural gas is the fuel of choice because it is much cleaner when used around water. Commissioner Mayhew inquired, has there been any consideration where this would be located? Field Services Manager replied, we are looking at putting it on the corner of 18th St. SE and Smith Ave. The building would be located completely underground. Commissioner Mayhew further inquired, what is the packaging of this plan as far as cost and timing? Mr. Morgan replied, we feel the direction we have proposed in the budget is the best way to go, however, there is still a lot of work ahead for this project.

The Commission thanked Mr. Jacobsen for attending the meeting and giving his presentation on the water system.

MMUA Presentation

Finance Manager Bruno introduced Andy Brewer from MMUA. Mr. Brewer gave a presentation to the Commission regarding 2002 legislation pertaining to the electric industry. Commissioner Mayhew asked Mr. Brewer, can you give me a short list of things you think we, as a Commission,

should see happen. Mr. Brewer replied, the very first thing is to maintain contact with legislators, let customers know what you are doing for them, spend some time with big customers. Commissioner Mayhew further inquired, as a strategy, is purchasing service territory the correct direction. Mr. Brewer replied, yes, that is very important and you should continue to work on it.

The Commission thanked Mr. Brewer for coming.

2003 Budget, Forecasted 2004-2007

Finance Manager Bruno presented the Commission a copy of the preliminary 2003 Budget, and the Forecasted 2004-2007 budget. Mr. Bruno reminded the Commission special budget meetings have been set up for October 1st and October 8th. The meetings will focus on the capital side of the budget.

Contributed Services

The Contributed Services report as of August 31, 2002 was presented to the Commission. The Commission signed the report.

General Manager's Report

Finance Manager Bruno discussed with the Commission the issue of bond refinancing. Mr. Bruno asked for a motion to proceed with a study to indicate the feasibility of refinancing our current bonds. Commissioner Mayhew moved to proceed with a study on refinancing with a proposal submitted when the study is complete. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Mr. Bruno reported to the Commission, the Owatonna Public Utilities was ranked first in the region, and second in the State on their water quality report. Mr. Bruno also read a letter from the Steele County Fair Board thanking employees for an excellent job during the fair.

The next item discussed was the purchase of the property on Bridge St. where the building burned down. Mr. Bruno reported the property could be used to assist in the rebuild of the downtown facilities. Currently, underground vaults and transformers need to be installed which would include tearing up the streets and sidewalks. By purchasing the property, transformers could be placed above ground alleviating the need to totally disrupt the downtown area. It was decided the issue would be further researched for all possible options.

Energy Conservation/Marketing Specialist Finholdt report the Fall Industrial Meeting is scheduled for November 19, 2002 at the Ramada Inn. A brief discussion regarding CIP programs and spending followed.

Commission Roundtable

Commissioner Schreiner – Nothing.

Commissioner Mayhew – Would like to see the assumptions Mike used in preparing the budget.

Commissioner Truelson – The SMMPA Annual meeting is scheduled for October 3rd and 4th. I will be attending with Tom. Also, the Personnel Committee will meet on October 22nd at 12:15 instead of the 15th. The Employee of the Month for September was Dave Fox.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved for adjournment. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:50 p.m.

Respectfully submitted,

Tammy Schmoll
Administrative Assistant