

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Emanuelson, Truelson, Mayhew and Stansberry. Commissioner Schreiner was absent. Also present were General Manager Shurts; Interim City Administrator Benoit; Director, Finance & Administration Bruno; Director, Marketing & Energy Management Green; Supervisor, Engineering & Waterworks Johnson; Supervisor, Energy Management & SCADA Warehime and Executive/HR Assistant Schmoll.

Interim City Administrator Benoit led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of September 25, 2007 were presented to the Commission. Commissioner Truelson moved to approve the Minutes as submitted. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, with Commissioner Mayhew abstaining, the motion passed.

### **Committee Reports**

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved vouchers, investments and one work order for the purchase of a switch, lap top and hard drive for the power plant. Mr. Mayhew also reported on the status of the financial statements and stressed the importance of getting them finalized. Commissioner Emanuelson echoed Mr. Mayhew's comments regarding the financial statements.

Personnel Committee – General Manager Shurts reported to the Commission the Personnel Committee met and discussed a new employee in the electric department, and staffing for 2008.

### **City Administrator's Report**

Interim City Administrator Benoit reported the City has hired a new City Administrator to begin on December 10, 2007. Mr. Benoit further reported he will be retiring as of December 7<sup>th</sup> and the City Council is currently working on their budget process, as well.

### **2008 Budget, 2009-2012 Forecast**

General Manager Shurts distributed and discussed the budget packet and a background report of some of the budget items and assumptions used for establishing the budget. Mr. Shurts noted the rate assumptions used are a 4.2% increase in electric, 5.7% increase in water and a 4.43% increase in natural gas. Mr. Shurts continued by discussing the labor overview. He noted staff is asking for an additional afterhours serviceworker in 2008, due to the calendar there is an extra pay period in 2008, and staff has included an assumed 3% general wage increase. Mr. Shurts concluded by discussing capital expenditure highlights for 2008.

Commissioner Truelson inquired as to why one truck is used for service only. Supervisor, Engineering & Waterworks Johnson replied, it is a smaller truck making it easier to get in backyards and it is set up strictly for service calls and service work.

Discussion ensued regarding flexibility in capital items, net income, reserves, capital expenditures, and forward thinking regarding transmission, generation and conservation.

**Contributed Services**

The Contributed Services report as of September 30, 2007 was presented to the Commission. The Commission signed the report.

**General Manager/Staff Report**

General Manager Shurts distributed and discussed the SMMPA 2007 Year in Review report, noting it was distributed at the annual SMMPA meeting.

General Manager Shurts updated the Commission on talks with Medford and the letter of intent. Mr. Shurts noted possible start dates and discussed the impact to OPU's system.

General Manager Shurts reported OPU received about \$9,470 from the state and federal governments for flood costs.

General Manager Shurts distributed and discussed a document outlining MMGA (Minnesota Municipal Gas Agency) and an overview of the pre-pay transaction. Discussion ensued.

Supervisor, Energy Management & SCADA Warehime updated the Commission on energy conservation projects at the City offices including the tennis center and thanked the City for their continued support.

Mr. Warehime further informed the Commission we are starting to promote commercial rebates in the paper with the hope other business owners will see it and want to participate.

Director, Marketing & Energy Management Green discussed a proposal, in conjunction with the pre-pay agreement, with a potential gas customer. Mr. Green further reported OPU is again helping the Chamber of Commerce with the stringing of Christmas lights.

Commissioner Emanuelson inquired about the mediation in the SMMPA lawsuit. Mr. Shurts reported the mediation should be settled by the end of the year and the litigation appears if it goes to a court case, it would begin the Spring of 2008.

Commissioner Emanuelson further inquired about how much longer the power plant would be running. General Manager Shurts replied, it should only be a couple more weeks. Austin is replacing the bearings in its main generator due to a mechanical failure and when that work is complete, OPU will again be shut down.

**Commission Roundtable**

Commissioner Stansberry – I attended the SMMPA annual meeting and found it very informative and interesting.

Commissioner Mayhew – Next Tuesday is the scheduled budget meeting and we will also meet on November 27<sup>th</sup>. Will we have financials by the November meeting? Mr. Mayhew was assured Financial Statements would be available by the November meeting.

Commissioner Truelson – Nothing.

Commissioner Emanuelson – Through the years, OPU's financial picture has strictly been in the hands of one individual person, I would like to see OPU get to a point where it not dependent so much on just one person.

**Adjournment**

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

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant