

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Schreiner, Noyce and Emanuelson. Absent was Commissioner Mayhew. Also present were General Manager Shurts, Finance Manager Bruno, Field Services Manager Morgan, Gas Marketing Manager Green, Marketing/Energy Conservation Analyst Roger Warehime, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll. Also present was Brent Wood, Owatonna High School Senior.

Mr. Wood led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of September 28, 2004 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as submitted. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Noyce reported the Finance Committee met, reviewed and approved the Vouchers, Financial Statements, Investment Report and three (3) work orders. Finance Manager Bruno reported one work order was a budget item to start moving software from our existing platform to a new platform. The next work order was a non-budget item to replace the air conditioning unit above the SCADA office. The third work order was also not budgeted to replace the MV90 software. Mr. Bruno concluded by purchasing the software in 2004 the company saves \$14,000. Mrs. Noyce continued by reporting the Committee looked at the Z Score and it was in line.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee did not meet.

Well #9 Generator Bid Tab

Finance Manager Bruno presented the attached bid tabulation for a generator at Well #9 pump house. After a brief discussion, staff recommended awarding the bid to the evaluated low bidder, DTE Energy, in the amount of \$89,969.00. Commissioner Emanuelson moved to award the bid to the evaluated low bidder, DTE Energy. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of September 30, 2004 was presented to the Commission for approval. Discussion ensued regarding the lighting at the Soccer Fields. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported Foam Craft will have their groundbreaking this week and we will be presented them a check for \$2,500.00 for economic development.

General Manager Shurts reported he will be giving a presentation to the Crusaders Club and the Noon Rotary Club. The presentation to the Crusaders Club will be on wind power. The Noon Rotary Club will touch on wind power as well as gas prices, growth rates, and major capital expenditures.

General Manager Shurts reported the building project has been delayed about a month. We are hoping to bring bid documents to the November Commission meeting.

General Manager Shurts reported on the SMMPA Annual Meeting. He reported several good topics were covered. The SMMPA Board is facing two big issues. One is where to get additional energy and the other is the price of transporting coal. The transportation costs of coal are increasing along the same lines as the cost to transport natural gas.

Field Services Manager Morgan reported AEGIS Insurance conducted an audit of our water facilities for security and soundness. Mr. Morgan also reported a fire hydrant in Central Park is being moved to accommodate more parking downtown.

Marketing/Energy Conservation Analyst Roger Warehime presented the Commission with two sets of graphs. The first indicates a budget to actual comparison of consumption. The second set of charts is a statistical report showing the number of meters per utility per commodity. Discussion ensued. Mr. Warehime and Mr. Green reported we met with Bushel Boy to discuss electric rates. They receive a special discount from Alliant which enables Alliant to offer a lower rate than we could offer them.

General Manager Shurts directed the Commission's attention to the 2005 Budget book. Mr. Shurts covered major changes which include removing all labor line items from the budget as well as combining budget items that changed cost centers. The labor items have been summarized in a special section in the book. Commissioner Truelson reminded the Commission and staff of the special budget meetings scheduled for November 3rd at 4:00 p.m. and November 9th at 4:00 p.m.

Commissioner Emanuelson inquired if the strategic planning process has begun. General Manager Shurts replied it has and about half of the staff has been interviewed.

Finance Manager Bruno discussed sections of the budget book. He noted the section called "Intro" is strictly assumptions and there is a list of items that increased or decreased. Mr. Bruno distributed and discussed a graph showing the principle and interest on investments.

Commission Roundtable

Commissioner Schreiner – Nothing.

Commissioner Noyce – Nothing.

Commissioner Truelson – Nothing.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:12 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Gas Generator at Well #9

WO #: 23172

Budget #: 04-2120-0007

Date/Time of Opening: 10/14/04 1:00 p.m.

Budget Amt: \$120,000.00

WO Amt: \$120,000.00

Acct. Number: 2362.0000

Vendor	Bid Security	Signed Contract	Amount Bid
Ziegler Power Systems	Yes	Yes	\$97,287.00
DTE Energy	Yes	Yes	\$89,696.00 **

** - Apparent Low Bidder

Bidders List

Project: Natural Gas Generator at Well #9

List of Firm Furnished Bid Documents:

Ziegler Power Systems
DTE Energy

List of Ineligible Bidders:
