

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Stansberry, Schreiner, Emanuelson and Ihrke. Absent was Commissioner Cosens. Also present were General Manager Shurts; City Administrator Busse; Director, Financial & Administrative Services Bruno; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Power Production Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Meter Services Pelot and Executive/HR Assistant Schmoll.

Manager, Energy Management & External Relations Warehime led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of September 22, 2009 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as submitted. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee: Commissioner Schreiner reported the Committee met and discussed staffing in SCADA and the power plant. The Committee also discussed a management salary comparison survey. Mr. Schreiner further reported there will not be a Personnel Committee meeting in November, but there will be one in December.

Finance Committee: Director, Financial & Administrative Services Bruno reported the Finance Committee met, discussed and approved Vouchers totaling \$4,073,701.61. The Committee also reviewed financial statements, cash flow statements, the investment report and the variance report. Mr. Bruno reported there was nothing out of the ordinary.

City Administrator's Report

City Administrator Busse reported staff and the City Council are working hard on the budget for 2010 and budget hearings will be held on November 4th & 5th. Ms. Busse further reported representatives from both union and non-union employees have been working hard to evaluate health care benefits and keep costs to a minimum. Ms. Busse further reported the Aquatic Center displayed a deficit for its first year. Staff is looking at several operational changes to help reduce costs for next year. One of the biggest factors for the loss this year was the lack of warm weather conducive for outdoor swimming.

Policy Changes

The Net and Gross Billing Policy, Policy #600.10, was presented to the Commission. Director, Financial and Administrative Services Bruno explained the major change in this policy shortens the time period for which a customer's billing statement is due. Currently the customer is given 28 days to pay the bill. The change is to 21 days, but also incorporates a 2 day grace period before late charges are applied. Manager, Energy Management & External Relations Warehime explained the current timeline versus the proposed timeline. This change will be made in conjunction with the implementation of the new Customer Management System. General Manager Shurts added, approval is requested for these new policies, but, if for some reason, the current "go live" date of December 1 is delayed, the old policy will continue as is and staff will resubmit policies in conjunction with the new "go live" date.

Discussion ensued regarding notification and education of the customers regarding the new dates. After discussion, Commissioner Ihrke moved to approve the Net and Gross Billing Policy with the effective date of December 1, 2009 with the understanding if the go live date of the new system is delayed, the old policy will continue in effect and new policies will be submitted in conjunction with the new go live date. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

The Customer Deposit Policy, Policy #601.30, was presented to the Commission. Manager, HR, Safety, Risk and Loss Control Madson reported after conducting a survey of several other utilities, it was discovered the amount of deposit requested by OPU was in line with other utilities; however, refund criteria was not in line with other utilities. Therefore, staff is requesting to change the requirements for refund in this policy from 6 monthly on-time payments to 12 monthly on-time payments. Once the requirements are met, the deposit would be applied back to the customer's account. After discussion, Commissioner Schreiner moved to approve the policy as submitted. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

A cancellation policy for MNDOT Highway lighting, Policy # 501.43, was presented to the Commission. Director, Engineering, Electric & Meter Services Johnson explained all highway lighting has now been metered so there is no need for this policy. Commissioner Ihrke moved to approve the policy cancellation as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

A cancellation policy for Budget Billing, Policy #600.20, was presented to the Commission. Manager, Energy Conservation and External Relations Warehime explained the State of Minnesota has mandated utilities to have a budget billing program available to customers, so we don't need a policy to have one. This will, however, be made into a procedure. Commissioner Ihrke moved to approve the policy cancellation as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

A cancellation policy for Renewable Energy Customer Option, Policy #601.50, was presented to the Commission. General Manager Shurts explained customers were given the option to pay an extra \$1 per KWH per month on their utility bill to be applied to the purchase of wind power. The new State of Minnesota Energy Act includes a requirement for renewable energy standards so SMMPA has decided to terminate the wind power program as of the end of the year. In the future, SMMPA hopes to offer other options for customers to participate. Commissioner Schreiner moved to approve the policy cancellation as submitted. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

A cancellation policy for Internet Billing, Policy #602.20, was presented to the Commission. General Manager Shurts explained Verizon has now acquired Alltel and will no longer allow us to bill for internet service so there is no further need for this policy. Commissioner Ihrke moved to approve the policy cancellation as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of September 30, 2009 was presented to the Commission. City Administrator Busse thanked Manager, Energy Management & External Relations Warehime for

his assistance explaining contributed services in response to several public inquiries. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported his trip to Washington, D.C. to lobby with APGA on the natural gas trading bill was a successful trip.

General Manager Shurts distributed the proposed 2010, 2011-2014 forecasted budget to the Commission for their consideration and reminded them of the special budget meeting scheduled for November 4, 2009 at 4:00 p.m. Mr. Shurts also distributed a packet which he noted contains the same type of information as previous years.

Director, Engineering & Electric Services Johnson noted, due to the weather, projects are behind on 24th Ave. and 18th St. SE.

Manager, Energy Management & External Relations Warehime gave an update on the progress of the Customer Management System.

Supervisor, Meter Service Pelot reported the radio read program should be complete by the end of December or January, which is ahead of schedule.

Commission Roundtable

Commissioner Emanuelson – Thanked the staff for their work on the budget.

Commissioner Ihrke – Thanked SMMPA and OPU for inviting Commissioners to the SMMPA Annual Meeting. He stated he found it very informative and easy to understand.

Commissioner Schreiner – Inquired what other cities have extended their power sales contracts with SMMPA. General Manager Shurts will report back to the Commission on the number.

Commissioner Stansberry – Noted there was a nice representation from OPU at the SMMPA Board meeting including, Mayor Kuntz. Mr. Stansberry reminded the Commission of the State of the Utility meeting scheduled for November 10th.

Adjournment

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

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant