

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

Dan Morgan led the Pledge of Allegiance.

Minutes

The Minutes from the special budget meeting of November 3, 2004 and the Minutes from the regular Commission meeting of October 26, 2004 were presented to the Commission. Commissioner Schreiner moved to accept the Minutes as presented. Commissioner Emanuelson 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, Accounts Payable and one Work Order for a 2 way radio upgrade. Commissioner Mayhew noted there are several other work orders relating to the 2005 budget which will be approved if the 2005 Budget is approved later in the meeting.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed a reorganization in the Power Plant, Health Insurance increases for 2005, retirements for 2005, and management compensation. Discussion ensued.

2005 Budget, 2006-2009 Forecast

Finance Manager Bruno distributed copies of the proposed 2005 Budget, 2006-2009 Forecast. He noted a few items changed from the budget workshop session. Mr. Bruno distributed a sheet showing the changes and discussed each one. Commissioner Schreiner moved to approve the budget as presented. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Water Rates Policy

General Manager Shurts presented Water Rates Policy to the Commission for approval. General Manager Shurts noted the policy increases commodity charges about 4.42% over all rate classes. Mr. Shurts distributed graphs indicating OPU's position on water rates in comparison to other communities. He noted our position does not change, except in the Industrial rate class, due to this rate increase and stays well below the average cost of water in other communities. After discussion, Commissioner Mayhew moved to accept the Water Rates Policy as presented. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2004 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported at the November SMMPA Board meeting, the Board approved the 2005 budget. No rate increases were proposed and none are anticipated for the foreseeable future. He noted SMMPA Board officers were elected. Jerry McCarthy from Austin was elected President; Dennis Seurer from New Prague was elected Vice President; Larry Koshire from Rochester was elected Secretary; and Lew Giesking from St. Peter was elected Treasurer.

General Manager Shurts reported to the Commission that OPU has become an official member of Partners for Progress. Other members include the City of Owatonna, Owatonna Business Incubator and the Chamber of Commerce.

General Manager Shurts updated the Commission on the building project noting the project has been delayed waiting for the 100 year flood certificate to be obtained. Once that has been received, the bid packages can be sent out.

General Manager Shurts proposed giving \$15,000 of OPU's economic development budget to the Owatonna Business Incubator each year for the next three years for use with capital improvements. He further noted a variable amount would be asked for each year as well, up to \$15,000. A committee will be formed to decide what the variable amount will be each year. After discussion, Commissioner Emanuelson moved to award a \$15,000 fixed amount and up to a \$15,000 annual variable amount, with no roll over, for the next three year to the Owatonna Business Incubator to be taken out of OPU's economic development budget amount. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Field Services Manager Morgan gave a construction update to the Commission.

Finance Manager Bruno noted the Auditors will be in-house on November 30th and December 1st for a pre-audit.

Marketing/Energy Conservation Analyst Roger Warehime distributed, and discussed, reports on the Conservation Investment Program for Natural Gas and Electricity. Mr. Warehime noted we have brought in more than we have spent due to additional funds received from SMMPA on rebates. Mr. Warehime added, we are good shape budget wise and have left the 2005 budget the same. A whole presentation will be conducted at the January Commission meeting.

Gas Marketing Manager Green distributed a graph indicating the gas volatility for December 2004 through March 2005. Mr. Green discussed the graphs.

City Administrator's Report

City Administrator Sparks reported the OBI Board will be holding a planning retreat to do some strategic planning. Mr. Sparks further reported, the new police chief has been hired; and three people will be retiring in 2005.

Commission Roundtable

Commissioner Emanuelson – nothing.

Commissioner Schreiner – nothing.

Commissioner Mayhew – Since we approved the 2005 budget, the work orders pertaining to the 2005 budget will also be approved by the Finance Committee.

Commissioner Truelson – I would like to wish all employees a Happy Thanksgiving and the Employee Appreciation dinner is December 10th at the VFW.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:57 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant