

The Owatonna Public Utilities Commission met in regular session in the training room at the Owatonna Fire Department. Present were Commissioners Schreiner, Cosens, Stansberry, Ihrke and Simon. Also present were General Manager Bruno; City Administrator Busse; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Power Production Green; Manager, HR, Safety, Risk & Loss Control Madson; Executive/HR Assistant Schmoll; Accountant Teresa Hottman and Clare Kennedy from the Owatonna Peoples Press.

Commissioner Simon led the Pledge of Allegiance.

Minutes

The Minutes from the regular Commission meeting of October 26, 2010 were presented to the Commission. Commissioner Cosens moved to approve the Minutes as presented. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

The Minutes from the special budget meeting of November 3, 2010 were presented to the Commission. Commissioner Stansberry moved to approve the Minutes as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers in the amount of 3,682,888.65. There were not any work orders. The actual financial numbers are trending very close to the projected amounts and there is nothing out of the ordinary.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met to discuss two additional positions included in the 2011 budget. He reported the positions are a GIS Engineering Technician and a Energy Conservation specialist position. Director, Engineering, Electric & Meter Services Johnson and Manager, HR, Safety, Risk & Loss Control Madson each gave a brief overview of the positions respectively. After a brief discussion, Commissioner Schreiner added the Personnel Committee recommends leaving these two positions in the 2011 budget.

City Administrator's Report

City Administrator Busse reported the City's budget hearing process is complete and a .8% levy increase is being proposed by the City Council. Ms. Busse further reported the 2011 budget does not include any wage increase for staff. Union contracts are due for negotiation in 2011 and the City will try to hold the line on wages for one more year due to the State's \$5.8 billion deficit. City Administrator Busse reported Rhonda Moen has been hired at the City's new Finance Director.

2011 Budget, 2012-2015 Forecast

General Manager Bruno reported all the changes recommended in the special budget meeting have been incorporated into this proposal. A 3.43% increase is proposed for the electric rates, 0% for the water rates and a 8.72% decrease in the natural gas rates. With revenue, expenses and debt service funds of \$1.9 million will be available at the end of 2011. After discussion, Commissioner Cosens moved to approve the budget as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

Rate Policies

The Energy Acquisition Adjustment Policy, #501.09, was presented to the Commission. General Manager Bruno explained this policy only changes when the rates change. This policy covers the difference in OPU's rates and the rate of the purchased power and annualizes that difference. Commissioner Stansberry moved to approve the policy as presented. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

The Electric Rates, Residential Services Policy, #501.81, was presented to the Commission. Commissioner Cosens moved to approve the policy as presented. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

The Electric Rates, Commercial Services Policy, #501.82, was presented to the Commission. Commissioner Stansberry moved to approve the policy as presented. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

The Electric Time-of-Day Rates Policy, #501.33, was presented to the Commission. Commissioner Ihrke moved to approve the policy as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

The Electric Peak Controlled Service Policy, #501.80 was presented to the Commission. Commissioner Cosens moved to approve the policy as presented. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

The Purchased Gas Adjustment Policy, #503.09, was presented to the Commission. General Manager Bruno noted, this policy does the same as the Energy Acquisition Adjustment policy for natural gas. Commissioner Simon moved to approve the policy as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

The Gas Rates Residential Policy, #503.10, was presented to the Commission. Commissioner Cosens moved to approve the policy as presented. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the motion passed.

The Gas Rates Commercial Policy, #503.20, was presented to the Commission. Commissioner Stansberry moved to approve the policy as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

The Gas Rates Interruptible Policy, #503.50, was presented to the Commission. Commissioner Cosens moved to approve the policy as presented. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

The Gas Rates Crop Drying Policy, #503.90, was presented to the Commission. Commissioner Simon moved to approve the policy as presented. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Bruno reported staff will be presenting a policy change for Commission approval adjusting the Natural Gas Energy Conservation amount from .5% to 1.8%. The state has changed the requirements from spending a certain amount to saving 1.5% of a utilities' energy costs every year.

Contributed Services

The Contributed Services report as of October 31, 2010 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Bruno mentioned some important dates to the Commission. December 1st will be the State of the Utility Meeting, December 2nd will be interviews for the Director, Financial & Administrative Services and December 10th is the Employee Appreciation Dinner. All Commissioners were invited to attend the meetings.

General Manager Bruno and Director, Engineering, Electric & Meter Services Johnson updated the Commission on flood recovery efforts and the work involved in gathering estimates and quotes for FEMA. Mr. Johnson reported, in the next several weeks, engineering firms will be in-house assessing damages and proposing possible flood mitigation options.

General Manager Bruno wished everyone a Happy Thanksgiving.

Director, Gas, Water & Power Production Green reported OPU and SMMPA staff members met with representatives from NCS Pearson to discuss their wishes on constructing a wind turbine on their site. Currently NCS Pearson is awaiting approval from the City Council to move forward.

Director, Gas, Water & Power Production Green further reported a webinar will be held for area plumbers and home builders on drain water heat recovery. Mr. Green discussed how the system works and the rebates associated with it.

Commission Roundtable

Commissioner Simon – Wished everyone Happy Thanksgiving.

Commissioner Stansberry – Wished everyone Happy Thanksgiving and reported he had an energy audit performed at his house and found it to be very valuable and strongly suggested it to everyone.

Commissioner Ihrke – Wished everyone Happy Thanksgiving.

Commissioner Cosens – Thanked everyone involved in the budget process and stated his amazement at how closely the actual is to what the projections were. Mr. Cosens also wished everyone Happy Thanksgiving and safe travels.

Commissioner Schreiner – Echoed Commissioner Cosens in thanking everyone on the budget process and the different rate comparisons. Mr. Schreiner also wished everyone Happy Thanksgiving.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:00 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant