

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Emanuelson, Mayhew, Schreiner and Ihrke. Commissioner Stansberry arrived later in the meeting. Also present were General Manager Shurts; Director, Financial and Administrative Services Bruno; Director, Gas, Water & Power Production Green; Manager, Energy Management & External Relations Warehime; Manager, Human Resources, Safety, Risk & Loss Control Madson; Supervisor, Engineering & Substation Services Johnson; Supervisor, Gas, Water, Buildings & Grounds Bendorf; Supervisor, Information & Financial Services Turnbull; and Executive/HR Assistant Schmoll.

Executive/HR Assistant Schmoll led the Pledge of Allegiance.

Minutes

The Minutes from the special Budget meeting of November 5, 2008 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as submitted. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, with Commissioner Mayhew abstaining, the motion passed.

The Minutes from the regular Commission meeting of October 28, 2008 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as submitted. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

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

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved cash disbursements in the amount of \$4,159,979.73, the variance report, the balance sheet, and the investment report. Mr. Mayhew reported the trends in each utility are expected to continue with no unusual changes. Commissioner Mayhew commented, tough times are ahead and with OPU's balance sheet, to the credit of the management team, this utility could do things, if it makes sense, strategically, but carefully, for this community. He added, he really respects what has been built over the years and it has been an honor to be a Commissioner. Director, Financial & Administrative Bruno reported there was one work order approved for the 2008 budget for switches in the computer room and a work order addendum for overheads on a capital project. Mr. Bruno further reported the Finance Committee has tentatively approved three work orders from the 2009 budget. Approval is pending upon the approval of the 2009 budget.

City Administrator's Report

City Administrator Busse was not present at the meeting, however, she asked General Manager Shurts to inform the Commission the Truth in Taxation hearing was scheduled for Tuesday, December 2, 2008 in the Council Chambers at 6:00 p.m.

Bond Defeasance

Director, Financial & Administrative Services Bruno reported staff is recommending removing Bond Defeasance from the agenda. Mr. Bruno stated, with the bond market collapsing, staff is recommending putting the bond defeasance on hold.

2009 Budget, 2010-2013 Forecast

Director, Financial & Administrative Services Bruno distributed the 2009 Budget, 2010-2013 Forecast to the Commission. Mr. Bruno discussed changes in the budget from the last meeting. He reported some of the changes included are: a decrease in labor due to the removal of the Supervisor, Power Production; commodity gas revenues decreased due to eliminating the proposed natural gas rate increase; an increase in storm water fees due to a future rate increase from the City; Energy Conservation Investment decrease due to elimination of gas rate increase; interest income decrease due to current market rates; insurance rate decrease; and moving the purchase of a vehicle from 2013 to 2009. Commissioner Emanuelson thanked staff for all their work on the budget. Commissioner Schreiner moved to approve the budget, with changes, as submitted. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

Clean, Repair, & Paint Tower #8 Bid Tabulation

The attached bid tabulation was presented to the Commission for the cleaning, repairing and painting of Tower #8. Supervisor, Gas, Water, Buildings and Grounds Bendorf stated staff is recommending awarding the bid to the evaluated low bidder, Classic Protective Coatings, in the amount of \$305,100. Commissioner Mayhew moved to award the bid to the evaluated low bidder, Classic Protective Coatings, Inc. in the amount of \$305,100. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion pass.

Contributed Services

The Contributed Services report as of October 31, 2008 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

Director, Gas, Water & Power Production Green gave an update on OPU's natural gas hedging program, as well as an update on the contract with Bushel Boy to hedge their natural gas .

General Manager Shurts gave an update from the State of the Utility meeting. He noted, Greg Oxley, MMUA, spoke about the constrictions the utility business will face if legislation is passed regarding CO₂ emissions. Mr. Shurts also noted, representatives from SMMPA spoke on how the legislation will affect electric rates.

General Manager Shurts gave a brief update on the Rochester Public Utilities/SMMPA litigation.

General Manager Shurts reminded the Commission and invited them to the Employee Recognition party scheduled for Friday, December 12, 2008 at the Owatonna Eagles Club.

Commissioner Roundtable

Commissioner Schreiner – Nothing.

Commissioner Stansberry – The State of the Utility meeting was very informative and well attended. Mr. Stansberry stated he was impressed with the presentations by the OPU staff.

Commissioner Ihrke – Nothing.

Commissioner Mayhew – Mr. Mayhew urged the Commission to continue to think even more strategically over time and out further into the future.

Commissioner Emanuelson – Thank you to all who worked on the budget.

Adjournment

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:40 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Clean, Repair, & Paint Tower 8

Project #: WD36209830

Budget #: 09-2220-0005

Date/Time of Opening: 10/28/08 1:00 p.m.

Budget Amt: \$395,000.00

Project Amt: \$395,000.00

Est. Budget Portion:

Acct. Number: 2-00-10700-3620

Vendor	Bid Security	Signed Contract	Amount Bid	
			Proposal 1	Proposal 2
Odland Protective Coatings, Inc.	Yes	Yes	\$454,500.00	\$454,500.00
Classic Protective Coatings, Inc.	Yes	Yes	\$305,100.00	\$305,100.00 **
TMI Coatings, Inc.	Yes	Yes	\$417,600.00	\$422,600.00
Leadcon, Inc.	Yes	Yes	\$376,000.00	\$376,000.00
Champion Coatings, Inc.	Yes	Yes	\$368,000.00	\$368,000.00
Abhe & Svoboda, Inc.	Yes	Yes	\$733,310.00	\$733,310.00

** - Apparent Low Bidder

Bidders List

Project: Clean, Repair & Paint Tower 8

List of Firm Furnished Bid Documents:

**Classic Protective Coatings, Inc.
Odland Protective Coatings, Inc.
TMI Coatings, Inc.
Leadcon, Inc.
Champion Coatings, Inc.
Abhe & Svoboda, Inc.**

List of Ineligible Bidders:
