

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Moen, Schreiner and Noyce. Absent was Commissioner Mayhew. Also present were General Manager Kuntz, City Administrator Sparks, Finance Manager Bruno, Field Services Manager Morgan, Marketing Manager Green, Engineering Design Supervisor Johnson, HR/Administrative Supervisor Madson, Accountant Teresa Hottman and Administrative Assistant Tammy Schmoll. Special guests include Bill Fahey.

Engineering Design Supervisor Johnson led the Pledge of Allegiance

Mr. Johnson showed the Commission a presentation pertaining to utility growth in the electric, water and natural gas areas as well as the maintenance projects over the past year.

Minutes

The Minutes from the regular Commission meeting of October 22, 2002 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as presented. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Moen reported the Finance Committee met and approved several work orders. They also approved the Vouchers and Financial Statements.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and began the process for replacing the General Manager.

Bond Refinancing Update

Mr. Bill Fahey distributed resolutions to the Commission and gave an update on the Bond Refinancing. The resolution grants preliminary approval for the refunding of the Series 1993 Utility Revenue Bonds. After discussion, Commissioner Moen moved to approve the resolution, Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Commissioner Moen moved to authorize \$3 million from reserves to be used for debt buy down. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

President Truelson appointed Commissioner Mayhew, Commissioner Moen and himself to be on the bond refinancing committee.

Rate Policies

General Manager Kuntz discussed the rate policies to be approved. He noted in the Electric Residential rate policy the rural charges have been removed and a rate reduction has been incorporated. Commissioner Schreiner moved to approve Policy #501.81, Electric Residential Rates, ER99. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Kuntz noted, in the Electric Commercial rate policy the rural charges have been removed. Commissioner Moen moved to approve Policy #501.82, Electric Commercial Rates, EC99. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Kuntz reported in the water rates policy an overall increase of 5% is proposed with each classification being affected differently. Commissioner Moen moved to approve Policy #502.11-502.41, Water Rates Residential, Commercial and Industrial. Commissioner Schreiner seconded the motion.

General Manager Kuntz reported the Gas Residential rates will stay the same with the rural charges being removed. Commissioner Moen moved to approve Policy #503.10, Gas Residential Rates, GR99. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Kuntz reported the Gas Commercial rates will stay the same with the rural charges being removed. Commissioner Moen moved to approve Policy #503.20, Gas Commercial Rates, GC99. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2002 was presented to the Commission. The Commission signed the report.

General Manager's Report

General Manager Kuntz reported there will be other rate policies presented at the December meeting regarding the Gas Interruptible Rates; and Rebate Policy and Procedure.

Mr. Kuntz reported the December Commission meeting has been moved to December 17th because of the Christmas holiday. Mr. Kuntz further reported the APPA Legislative Rally is scheduled for February 9-12, 2003. Commissioner Moen motioned to invite the Mayor, Pete Connor, to attend the Rally and pay for his expenses. Commissioner Noyce seconded the motion, all Commissioners voting Aye, the motion passed. Mr. Kuntz further reported the MMUA Legislative Rally is scheduled for February 26-28th in Minneapolis.

Mr. Kuntz reported, Greg Carsrud, Electric Line Supervisor, retired. After interviews were done, Dan Busho was offered, and accepted, the position.

Commission Roundtable

Commissioner Schreiner – Great job on the Industrial Roundup.

Commissioner Noyce – Nothing.

Commissioner Moen – Nothing.

Commissioner Truelson – Thanks to staff for the good job on the Industrial Roundup. Congratulations to Dan Morgan for becoming President of the CAER Board.

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 5:22 p.m.

Respectfully submitted,

Tammy Schmoll
Administrative Assistant