

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Emanuelson, Schreiner, Truelson and Stansberry. Commissioner Mayhew was absent. Also present were General Manager Shurts; Interim City Administrator Benoit; Director, Finance & Administration Bruno; Director, Marketing & Energy Management Green; Supervisor, Electric Services Busho; Supervisor Engineering & Waterworks Johnson; Supervisor, Gas & Water Services Bendorf; Supervisor, Information Services Turnbull; Supervisor, SCADA & Energy Management Warehime; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman. Special guests included Kris Busse.

Interim City Administrator Benoit led the Pledge of Allegiance.

Minutes

The Minutes from the special budget meeting of October 30, 2007 were presented to the Commission. Commissioner Truelson moved to approve the Minutes as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

The Minutes from the regular Commission meeting of October 23, 2007 were presented to the Commission. Commissioner Truelson moved to approve the Minutes as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed management salaries. He noted a recommendation will be presented at the December Commission meeting.

Finance Committee – Commissioner Truelson reported the Finance Committee met. He reported they reviewed the new Financial Statements format and noted the new format has a lot more detail. Commissioner Emanuelson commended the Accounting staff for their work on the statements. Director, Finance & Administration Bruno explained how the new system tracks material receipts and expenses versus the old system. Mr. Truelson reported one work order was approved for a surveillance system at West Owatonna Substation.

City Administrator's Report

Interim City Administrator Benoit introduced Kris Busse who has been hired by the City Council as the new City Administrator. Mr. Benoit report Mrs. Busse will be starting employment with the City of Owatonna on December 10, 2007. Mr. Benoit thanked OPU for their continuing cooperation in working with the City. Mrs. Busse stated she was excited to start in Owatonna and briefly explained her background and knowledge of the utility industry including SMMPA.

2008 Budget, 2009-2012 Forecast

General Manager Shurts noted the budget packets were distributed in October and due to the delay of the financial statements, staff is requesting the Commission approve the budget at their December meeting.

Proposed Rate Policies

General Manager Shurts directed the Commission's attention to the agenda packet containing several rate policies. Mr. Shurts distributed and discussed a packet detailing each current rate and proposed rate and the overall effect in that rate class, including graphs. All rates are recommended to be increased to help build financial reserves per the Financial Reserve policy. Discussion ensued regarding the inability to know the appropriateness of the proposed rates until the financial reports are more current. Mr. Shurts advised that staff plans to have the reports through November to the Commission no later than the December Commission meeting. He concluded by stating the rates being presented at this meeting are for consideration and staff is recommending approval at the December Commission meeting if the financial reports are done as planned.

MMGA/Pre-Pay Gas Supply Contract Update

General Manager Shurts updated the Commission on the status of the Minnesota Municipal Gas Agency (MMGA) and the Pre-Pay Gas Supply contracts. Mr. Shurts noted an opinion letter has been received from the City Attorney, Mark Walbran, stating he has reviewed the documents and believes it is in the best interest of the City to allow OPU to execute the gas supply contract. Mr. Shurts noted the MMGA has decided to get all the documentation prepared and ready to execute, however, the pre-pay discount is not what the MMGA has hoped for with the current US economic conditions. Therefore, the MMGA has designed the documents to allow for a window of time, January 1 to April 1, 2008, to execute the pre-pay. Conditions are expected to improve during that time period. Staff is asking Commission approval of a resolution to allow OPU to enter into a gas supply contract, and to allow the General Manager to sign the contract and any reasonable amendments. After discussion, Commissioner Truelson recommended approval of a resolution to allow the general manager of OPU to enter into a gas supply contract and sign any reasonable amendments related to it. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services as of October 31, 2007 were presented to the Commission for approval. The Commission signed the Contributed Services. Mr. Shurts distributed a document showing OPU's contribution to the City in helping with community projects. Mr. Shurts noted the City helps OPU will several projects, as well, and noted the two entities work well together.

General Manager/Staff Reports

General Manager Shurts reported he attended a groundbreaking for the new Gopher Sports building and discussed utility services entering the building. Discussion ensued regarding service territory.

Commissioner Emanuelson inquired on discussions regarding the Aquatic Center service territory. General Manager Shurts replied that issue is ongoing.

Commission Roundtable

Commissioner Stansberry – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Truelson – Attended the State of the Utility meeting and felt it was very professional, and contained a lot of good information. Mr. Truelson also noted Wenger is sponsoring a class on Arc Flash. Mr. Truelson also thanked Mr. Benoit for his service as Interim City Administrator.

Commissioner Emanuelson – Thank you to the power plant staff for all their work. Mr. Emanuelson also reminded the Commission of the Employee Recognition Party on December 14th.

Adjournment

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

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant