

The Owatonna Public Utilities Commission met in rescheduled session in the Commission room. The meeting was rescheduled due to the Christmas holiday. Present were Commissioners Emanuelson, Truelson, Mayhew and Stansberry. Absent was Commissioner Schreiner. Also present were General Manager Shurts; City Administrator Busse; Director, Finance & Administration Services Bruno; Director, Marketing & Energy Management Green; Manager, Human Resources & Customer Service Madson; Supervisor, SCADA & Energy Management Warehime; and Executive/HR Assistant Schmoll.

City Administrator Busse led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of November 27, 2007 were presented to the Commission. Commissioner Truelson moved to accept the Minutes as presented. Commissioner Stansberry seconded the motion. Commissioner Mayhew abstained from the vote due to be absent at the last meeting. Three Commissioners voting Aye, the motion passed.

### **Committee Reports**

Personnel Committee – Commissioner Stansberry reported the Personnel Committee did not meet in December, but requested and received material regarding exempt employee wages after the November meeting. Mr. Stansberry reported the Personnel Committee is recommending a 4% increase for supervisors and a 3% increase for the rest of the exempt group based on market analyses and after discussion, made a motion of the same. Commissioner Mayhew seconded the motion. Three Commissioners voting Aye, one Commissioner voting Nay, the motion passed.

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved cash disbursements, and two work orders. One was for additional hardware in Information Services and the other was a work order addendum requesting additional funds for work performed at the propane site including additional piping and communications to the SCADA system. Discussion also ensued regarding the normal annual work orders. It was agreed the ones that needed to be signed so employee time in 2008 could be charged to them would be signed after the budget was approved at the end of the meeting and the rest, for capital projects and purchase of materials, would be presented at the January meeting.

### **City Administrator's Report**

City Administrator Busse reported the City Council approved the 2008 Budget and gave an update on flood mitigation including Buecksler park stating the park would be ready to hold water in the spring.

### **2008 Budget, 2009-2012 Forecast**

After discussion, Commissioner Mayhew moved to approve the budget as originally presented subject to a revised and required evaluation that is to be completed no later than January 22, 2008. Commissioner Truelson seconded the motion. All Commissioners voting Aye, the motion passed.

### **Proposed Rate Policies**

General Manager Shurts presented and discussed rate policies for electricity, water and natural gas including the Purchase Gas Adjustment Policy and the Energy Acquisition Adjustment policy. Mr.

Shurts stated the rates being presented are the ones included in the 2008 budget, as well as the rates used for the most recent financial projects. He ensured the Commission the rates will be strictly monitored throughout the year to insure they continue to be appropriate for the financial well-being of OPU. Commissioner Truelson made a motion to approve the rates included in the Commission packet and used in the development of the budget. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

### **Contributed Services to the Owatonna Business Incubator (OBI)**

General Manager Shurts discussed how OPU has helped the Incubator the past three years by issuing them a grant up to \$30,000 each year out of the Economic Development budget with \$15,000 being fixed and \$15,000 granted as needed for marketing purposes. Mr. Shurts reported it is recommended the Owatonna Business Incubator's utilities consumption be covered under contributed services due to the building being owned by the City of Owatonna. Commissioner Truelson made a motion to approve the OBI as contributed services as long as they continue to rent the space from the City of Owatonna. Commissioner Stansberry seconded the motion. After discussion regarding marketing of OBI, all Commissioners voting Aye, the motion passed.

### **Contributed Services**

The Contributed Services report as of November 30, 2007 was presented to the Commission. Mr. Shurts noted contributed services will increase .4% by adding the Owatonna Business Incubator to contributed services. The Commission signed the report.

### **General Manager/Staff Report**

General Manager Shurts and Director, Marketing & Energy Conservation Green gave an update on the MMGA Pre-pay noting the contracts are complete and ready for execution. The MMGA board is watching markets very closely to ensure the deal gets the best rate possible. Discussion ensued.

Director, Marketing & Energy Conservation Green reported negotiations continue with Al-Corn regarding OPU providing them their natural gas. Mr. Green explained the process involved in providing natural gas to Al-Corn and the management of that gas.

General Manager Shurts also reported discussions proceed with Ritchie Brothers to provide natural gas to their new facilities.

General Manager Shurts distributed new organizational charts effective January 1, 2008. He noted several changes have been made based on observations and evaluations of past and future retirements. Mr. Shurts discussed the changes noting Supervisor, Energy Management & SCADA Warehime's title will change to Manager, Energy Management & External Relations with additional responsibilities including supervision of the customer service representatives. He further noted, Manager, HR & Customer Service Madson's title will now be Manager, HR, Safety, Risk and Loss Control with duties including security, loss control (including accounts receivable) and continued support in the customer service area. Mr. Shurts noted the budget impact for these changes will be minimal and noted postings for the Director, Engineering & Electric Services and the Afterhours Serviceworker will be done sometime in early 2008. A major reason for the changes includes knowledge transfer.

**Commission Roundtable**

Commissioner Mayhew – Congratulations to Roger Warehime for becoming an Certified Energy Manager. Also, please keep us informed on any legislation affecting the utility. Discussion also ensued regarding the economic impact of bad debts and foreclosures on OPU. Commissioner Mayhew further inquired about a formal contingency plan. Mr. Shurts reported we are currently working on updating our emergency plan and will begin updating our contingency plan, as well. As a final note, Commissioner Mayhew wished everyone Happy Holidays.

Commissioner Truelson – wish everyone a Merry Christmas and congratulations to Roger on his CEM. Also, the annual Employee Appreciation dinner was great.

Commissioner Stansberry – Congratulations to Roger on both his CEM and his promotion. Also a sincere thank you to the accounting staff for their work on the financials. Merry Christmas.

Commissioner Emanuelson – Congratulations to Roger. Merry Christmas to all.

**Adjournment**

There being no further business to come before the Commission, Commissioner Mayhew moved to adjourn the meeting. Commissioner Truelson seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:33 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant