

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Stansberry, Schreiner and Cosens. Absent were Commissioners Emanuelson and Ihrke. Also present were General Manager Shurts; City Administrator Busse; Director, Financial & Administrative Services Bruno; Director, Engineering, Electric & Meter Services Johnson; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Electric Services Deering; Supervisor, Gas, Water, Buildings & Grounds Bendorf; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman.

Commissioner Schreiner led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of November 24, 2009 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as submitted. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met, reviewed and discussed salaries for the management staff. Mr. Schreiner noted after review the Personnel Committee is recommending a 1.75% increase effective January 1, 2010 for the management staff and moved for approval. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed. Commissioner Schreiner further noted in previously speaking with Commissioner Emanuelson he was in favor of the motion, as well.

Finance Committee – Commissioner Cosens noted the Finance Committee met, reviewed and approved the 2010 Work Orders as submitted in the budget. \$1,752,698 were approved in electric; \$823,673 were approved in water and \$420,771 in natural gas for a total of \$2,997,142. Mr. Cosens noted there were also two 2009 work order additions. One was for an additional \$10,500 to repair and refurbish four downtown lights that were originally planned to be completed in 2010. The other was for an addition to the work order for a digger derrick. The original work order was for the purchase of a two wheel drive unit, when a four wheel drive unit needed to be purchased instead. Vouchers were approved in the amount of \$4,041,602.86. The Committee also reviewed and approved the Investment and Cash Flow Reports.

City Administrator's Report

City Administrator Busse reported the City Council adopted the 2010 budget. Council Members Falk, Ellingsen and Thompson will be going off the council and three new members will be sworn in at the January meeting. Ms. Busse further reported the City is awaiting further news in 2010 on the changes to local government aid. The City has adopted a new, modified insurance plan that will allow for a higher deductible, but will eliminate 13.8% of the premium increases planned for 2010.

Digger Derrick Bid Tabulation

The attached bid tabulation was presented to the Commission for the purchase of a 45' Hydraulic Digger Derrick. Director, Financial & Administrative Services Bruno reported the bid was sent to three companies with two submitting bids. Staff is recommending awarding the bid to the evaluated low bidder, Altec Industries, Inc., in the amount of \$207,148.00. Commissioner Cosens moved to award the

bid to Altec Industries, Inc. in the amount of \$207,148.00. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Rate Policy Changes

General Manager Shurts explained in November the electric rate policies were approved, but not signed, so staff is submitting them for signature at this meeting. Also presented at the November meeting were draft water and natural gas rate policies. Mr. Shurts noted the overall change in water rates is 5.78% which affects residential customers by about \$8 per year. Natural gas rates are decreasing resulting in an average savings of about \$120 for residential customers. With the rate increase in electric, combined with the increase and decrease in water and natural gas rates, respectively, the average OPU residential customer can expect to see approximately at \$70 decrease in their annual utility bill. Staff presented the water and natural gas rates for approval.

The Water Rates Policy, Policy # 502.11, 502.21, 502.31, 502.41, was presented to the Commission for approval. Commissioner Schreiner moved to approve the policy as submitted. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

The Purchase Gas Adjustment Policy, Policy #503.09, was presented to the Commission for approval. Commissioner Cosens moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

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

The Gas Rates – Commercial Policy, Policy #503.20, was presented to the Commission for approval. Commissioner Cosens moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

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

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

Contributed Services

The Contributed Services report as of November 30, 2009 was submitted to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported he and Ray Hayward, Executive Director of SMMPA, met with the director of the Waseca Utilities, Carl Sonnenberg, to discuss the debate the Waseca City Council had over extending their power sales contract with SMMPA. Mr. Shurts further reported

Waseca Utilities will not be extending their Power Sales Contract with SMMPA, with the expectation that other options will be available in 20 years.

Commission Roundtable

Commissioner Schreiner wished staff and Commission Happy Holidays and Merry Christmas.

Commissioner Cosens also wished staff and the Commission Merry Christmas and Happy New Year and noted he has enjoyed his time on the Commission over the past few months.

Commissioner Stansberry offered warm holiday greetings to all and noted even with some ups and downs feels it was a positive year. He expressed his confidence in the capabilities of the team at OPU and the work they do and looks forward to the strategic plan.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:26 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: 45' Sheave Height Hydraulic Digger Derrick	Project #: EO39209848
	Budget #: 09-2210-0220
Date/Time of Opening: 12/15/09 1:05 p.m.	Budget Amt: \$199,100.00
	Project Amt: \$199,100.00
	Est. Budget Portion:
	Acct. Number: 1-00-10100-3920

Vendor	Bid Security	Signed Contract	Amount Bid
Altec Industries, Inc.	Yes	Yes	\$207,148.00 **
DUECO Inc.	Yes	Yes	\$217,693.00

** - Apparent Low Bidder

Bidders List

Project: 45' Sheave Height Hydraulic Digger Derrick

List of Firm Furnished Bid Documents:

**ABM Equipment & Supply, Inc.
Altec Industries, Inc.
DUECO, Inc.**

List of Ineligible Bidders:
