

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Moen, Schreiner, Noyce and Emanuelson. Absent was Commissioner Mayhew. Also present were General Manager Shurts, Finance Manager Bruno, Field Services Manager Morgan, Gas Marketing Manager Green, HR/Administrative Supervisor Madson, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll.

John Moen led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of November 25, 2003 were presented to the Commission. Commissioner Moen moved to accept the Minutes as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Resignation of John Moen

Commissioner Moen formally announced his resignation from the OPU Commission due to being elected to the City Council. General Manager Shurts thanked Mr. Moen for his time on the Commission and wished him well on the City Council. Commissioner Truelson also wished Mr. Moen well and stated he will be missed.

General Manager Shurts officially welcomed David Emanuelson to the Commission as Mr. Moen's replacement. Commissioner Truelson announced Mr. Emanuelson will be on the Personnel Committee with Commissioner Schreiner and Commissioner Noyce will move to the Finance Committee with Commissioner Mayhew.

Committee Reports

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed potential raises for the exempt group for 2004. A final recommendation will be brought to the full Commission in January.

Finance Committee – Commissioner Truelson reported the Finance Committee met, reviewed and approved Vouchers. General Manager Shurts distributed, and discussed, retained earnings graphs. He explained our growth is on course. Finance Manager Bruno briefly explained the refinancing process for Commission Emanuelson.

Tree Trimming Bid

The attached bid tabulation was presented to the Commission for tree trimming. Staff recommended awarding the bid to the evaluated low bidder, Asplundh Tree Service in the amount of \$787,694. After discussion, Commissioner Schreiner moved to award the Tree Trimming Bid to Asplundh Tree Service. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Policies**Mileage Reimbursement Policy**

The Mileage Reimbursement policy, #300.10, was presented to the Commission for their approval. Finance Manager Bruno reported this policy is changed every year to correspond with the IRS. The amount of reimbursement will be changed from 36¢ per mile to 37.5¢ per mile. Commissioner Noyce moved to approve the Mileage Reimbursement policy as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Energy Acquisition Adjustment Policy

Finance Manager Bruno presented the Energy Acquisition Adjustment policy, #501.09, for approval. Commissioner Schreiner moved to approve the Energy Acquisition Adjustment policy. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Purchase Gas Adjustment Policy

The Purchase Gas Adjustment policy, #503.09, was presented to the Commission for approval. Finance Manager Bruno reported this policy has the same principles as the Energy Acquisition Adjustment policy but it deals with natural gas. Commissioner Noyce moved to approve the Purchase Gas Adjustment policy. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Farm Taps Policy – Cancellation

Finance Manager Bruno presented a Farm Tap policy, #503.80, for cancellation. He reported the policy was last updated in 1997 but there have not been any customers on the policy since 1993 so therefore staff is recommending the policy be cancelled. Commissioner Schreiner moved to accept the cancellation of the Farm Taps Policy. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Uncollectible Accounts

Finance Manager Bruno reported 215 accounts totaling \$63,566.43, for which collection is doubtful at this time, were presented to the Finance Committee to be written off prior to the close of business in December, 2003. Mr. Bruno further reported 13 bankruptcy accounts totaling \$13,900.64, for which collection is doubtful at this time, were presented to the Finance Committee. The Finance Committee approved the write off of these accounts.

Contributed Services

The Contributed Services report as of November 30, 2003 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported to the Commission, structural changes will take effect January 1, 2004 in the power plant area. He reported the 5 SCADA operators will begin reporting to Gas Marketing Manager Green and the remaining employees in the power plant will continue to report to Production Supervisor Reese. This is simply a reporting issue and will not cost the company any money.

General Manager Shurts distributed a sheet of utility related terms and their definitions for the Commission's information.

General Manager Shurts reported the basement of the Main building is being cleaned out to be used as a meeting room.

Mr. Shurts reported the SMMPA Board meeting in December was held at Cabela's. The SMMPA staff presented a recap of 2003. Mr. Shurts reported the SMMPA board is evaluating what size they should be, if they should add more members. Mr. Shurts reported the SMMPA staff will attend the OPU Commission meeting in January to give an industry overview.

Mr. Shurts reported on the joint service territory venture between Steele Waseca Coop Electric and OPU. He also reported on the annexation of 25.75 acres on the corner of Kenyon Rd. & 26th Street currently in the Alliant Energy service territory. He noted, he has met with Kevin Lorentz of Alliant Energy and negotiations are underway for the buyout of this service territory.

Mr. Shurts reported some changes have been made in the Front Office. He reported the positions of Credit Representative and Customer Service Representative have been combined into one position, creating a call center atmosphere. The other change was the Administrative Assistant position was renamed to Executive/HR Assistant and taken out of the union. This position will now report directly to the General Manager with duties in HR, as well. It was taken out of the union due to the confidential nature of the position.

Mr. Shurts concluded his report by wishing everyone a Merry Christmas and a Happy New Year.

Gas Marketing Manager Green reported ClearWave Brochures were inserted in all the utility bills sent out in December. He further reported OPU was contacted by BP to take physical delivery of some excess gas. The excess gas belongs to the National Public Gas Agency of Nebraska. The flow and delivery will be handled by BP and will reduce our costs. Mr. Green also reported, work is being completed on the final report for the rebates.

Field Services Manager Morgan reported work is continuing on the downtown conversion project.

Finance Manager Bruno reported we are moving forward with the lease/leaseback project. Several items have been put together and sent. Mr. Bruno further reported, the sales tax refund should be received in late January or early February. He noted, it should amount to about \$94,350.

Commission Roundtable

Commissioner Emanuelson – I'm excited to be back on the Commission and I'd like to wish everyone a Merry Christmas.

Commissioner Noyce – Happy Holidays to all employees and kudos to the Conserve and Save Program.

Commissioner Schreiner – Merry Christmas to all the employees.

Commissioner Truelson – Thanks to the staff for the Christmas Party, the presentation was excellent. Marge was elected to the Steele County Safety Committee Board of Directors. At the January meeting OPU will give a presentation on Natural Gas safety. Merry Christmas to staff and Commissioners.

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 5:30 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Tree Trimming

WO #:

Budget #: 04/05-2210-0550

Date/Time of Opening: December 16, 2003 1:00 p.m.

Budget Amt: \$425,200/\$425,350

WO Amt:

Acct. Number: 1593.1220

Vendor	Bid Security	Signed Contract	Amount Bid
Asplundh Tree Expert Co.	Yes	Yes	\$787,694.00 **
Wright Tree Service Inc.	Yes	Yes	\$993,172.20

** - Apparent Low Bidder

Bidders List

Project: Tree Trimming

List of Firm Furnished Bid Documents:

Visions

Asplundh Tree Expert Co.

Carr's Tree Service, Inc.

Wright Tree Service, Inc.

List of Ineligible Bidders:

** - Apparent Low Bidder