

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Emanuelson, Schreiner, Truelson, Mayhew & Stansberry. Also present were General Manager Shurts; Director, Financial & Administrative Services Bruno; Director, Gas, Water & Power Production Green; Manager, Energy Management & External Affairs Warehime; and Executive/HR Assistant Schmoll. Also present were OPU employees Teresa Hottman and Violet Paleczny; as well as, Dave Ihrke, nominated to be OPU's next Commissioner.

Commissioner Mayhew led the Pledge of Allegiance.

### **Minutes**

The Minutes from the rescheduled meeting of February 28, 2008 were presented to the Commission. Commissioner Schreiner moved to accept the Minutes as presented. Commissioner Mayhew seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Personnel Committee – Commissioner Schreiner reported the Personnel Committee did not meet.

Finance Committee – Commissioner Mayhew reported the Finance Committee met and discussed three key items which included disbursements, work orders, and financial statements. The disbursements were approved in the amount of \$6,441,257.65. One Work Order addendum was approved for overhead lines at the clinic. The work order ran over due to poor weather and field conditions resulting in more labor than anticipated. Several work orders, in the amount of \$1,478,538 were tabled until later in 2008 or even into 2009. \$634,306 in work orders were approved for 2008. Commissioner Mayhew discussed the financial statements and cash flow. General Manager Shurts reported Commissioner Mayhew suggested staff develop a high level financial report for the Commission. Commissioner Emanuelson inquired about the discrepancies in the gas supplier's bill. General Manager Shurts replied, we questioned them and now have a better understanding of how they calculate the margin.

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

City Administrator Busse was not present, therefore, there was not a report.

### **Contributed Services**

The Contributed Services report as of February 29, 2008 was presented to the Commission. After discussion, the Commission signed the report.

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

General Manager Shurts discussed dealings with Alliant regarding service territory, as well as a possible joint venture with Steele Waseca Coop Electric for the territory where the Aquatic Center will be located. After discussion, the Commission agreed entering into a joint service territory agreement with Steele Waseca was the appropriate way to proceed for the Aquatic Center territory. Service Territory discussions also included options the School District is considering.

Manager, Energy Management & External Relations Warehime presented and discussed the most current rate study. General Manager Shurts reminded the Commission, OPU tries to remain competitive in their rates, but we are not always the lowest. This is evaluated each year during the budget process. Mr. Shurts distributed and discussed a graph dealing with OPU's hedging program.

Mr. Warehime continued by reporting Steele County has been discussing a lighting retrofit project at the Four Season's Building and the Court House to improve the quality of the light. Also, Mr. Warehime asked for comments regarding the draft Conservation Policy distributed to the Commission. Mr. Warehime explained this policy is being driven by the legislature requiring utilities to show more conservation savings and noted this is just a draft policy. Discussion ensued.

General Manager Shurts reported, Mr. Warehime will be giving presentation at the KOWZ Home Show at the Four Season's building regarding energy conservation.

Commissioner Mayhew inquired if we are hearing anything from our industrial customers that is causing alarm? Mr. Warehime remarked, nothing.

General Manager Shurts discussed other topics including, OPU meeting with the new plant manager of Crown Cork and Seal, the SHERCO 3 upgrade, a new combustion turbine possibly being located in Owatonna, Mr. Shurts' trips to Washington, D.C. for the APPA Legislative Rally and the SMMPA/RPU lawsuit.

### **Commission Roundtable**

Commissioner Schreiner – Nothing.

Commissioner Stansberry – Nothing.

Commissioner Mayhew – Are there issues with the funding of the Retirement Fund? Director, Financial and Administration Services Bruno replied, the fund is totally covered by the State. So, OPU and its employees, are not at risk of loss of those funds.

Commissioner Truelson – What is the amount of the attorney fees involved in the SMMPA/RPU lawsuit. Mr. Shurts replied, between the two companies around \$10 million. Mr. Truelson added a thank you to the accounting staff for their hard work on the financial statements.

Commissioner Emanuelson – Nothing.

### **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 5:15 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant