

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; Director, Financial & Administrative Services Bruno; City Administrator Busse; Director, Gas, Water, & Power Production Green; Director, Electric, Engineering & Meter Services Johnson; Manager, Energy Management & External Relations Warehime; Manger, HR, Safety, Risk & Loss Control Madson; and Teresa Hottman, Accountant. HR/Executive Assistant and Commission Minute Recorder Schmoll was absent.

Vice-President Stansberry called the meeting to order. He welcomed new Commission member Kim Cosens and asked him to lead the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of April 28, 2009 were presented to the Commission. Commissioner Schreiner moved to accept the minutes as presented. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

### **Election of Officers**

Vice-President Stansberry stated the next order of business was the election of officers for the coming year. He asked for nominations for the office of President from the floor. Commissioner Schreiner made a motion to nominate Commissioner Stansberry for the office of President and a unanimous ballot be cast for Commissioner Stansberry as President. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

President Stansberry assumed the chair and asked for nominations for the office of Vice-President. Commissioner Cosens made a motion to nominate Commissioner Schreiner for the office of Vice-President and a unanimous ballot be cast for Commissioner Schreiner as Vice-President. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

President Stansberry stated he would hold off on the committee appointments today and have them ready for the next meeting.

### **Committee Reports**

Personnel Committee – Commissioner Schreiner reported union negotiations were completed and the Union Committee presented a 3 year contract proposal to the union membership of both unions for a vote. Both the Clerical Union and the Outside Union have ratified the contract proposals. Commission Schreiner made a motion to approve the Clerical Union Contract and the Outside Union Contract as presented effective June 1, 2009 to May 31, 2012. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

Finance Committee – Director, Financial & Administrative Services Bruno reported on behalf of the Finance Committee. He reported the Finance Committee approved Vouchers totaling \$5,659,443.29 and reviewed the balance sheets, income statements, and cash flow statements.

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

City Administrator Busse reported the city has also approved a union contract with the fire department. Ms. Busse further reported the legislature adjourned their 2009 session without solving the

budget and consequently the Governor will be finalizing the budget. The City is waiting to see what will happen with LGA funding for Owatonna. It is expected the funding will be cut, but they do not know by how much.

### **Contributed Services**

The Contributed Services report as April 30, 2009 was presented to the Commission. General Manager Shurts explained Contributed Services as outlined in the Owatonna City Charter for Commissioner Cosens' information. The Charter states that the City and all its departments receive electric, water, and gas utilities free of charge provided the total value of all the utility service does not exceed 4% of the gross meter billings. He further reported the current Contributed Services percent for April, all utilities, is 2.17%. At the July Commission meeting a recap of the first 6 months of contributed services will be presented in graph form for the Commission's information. The Commission signed the report.

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

General Manager Shurts reassured the Commission even though electric, water, and gas sales are down, OPU continues to have sound financial reports. He reported OPU's tree trimming maintenance program is really paying off. He further continued, with the high winds of last week OPU only experienced one outage to a home service. Other utilities had many outages to contend with. Also, General Manager Shurts reported he will be attending a MMUA Board of Directors Annual Planning session on Thursday and Friday of this week, as well as, be on vacation the week of June 1-5. In addition, Mr. Shurts had the pleasure of serving ice cream to the attendees at the McKinley Elementary School ice cream social.

Manager, Energy Management & External Relations Warehime reported, OPU is working with Riverland College to put on an Energy Class this summer for 4-6 graders.

Director, Gas, Water & Power Production Green reported MMUA offers a scholarship each year to a graduating senior. Applicants for the scholarship are asked to write an essay on "Municipal Utilities: Good for All of Us". In addition to entering the MMUA scholarship contest, OPU awards a \$500.00 scholarship to the best essay entered from Owatonna. Bobbi Foss daughter of OPU employee Tom Foss was awarded the OPU \$500.00 scholarship. Congratulations to Bobbi.

In addition, Mr. Green noted natural gas prices continue to be down.

Director, Electric, Engineering & Meter Services Johnson reported the new Electric Department service crew truck has arrived and is working out great. It is a compact style boom truck and is handy for getting into smaller areas.

Director, Financial & Administrative Services Bruno informed the Commission normally we would have had the audit report at this meeting. However, due to late scheduling of the actual in-house audit at OPU and new rules associated with GASB 45, it will be presented at the June meeting. Commission Schreiner asked if OPU was satisfied with the current auditors and what year of their contract we were in. Mr. Bruno replied we are very satisfied and we are in the last year of the contract. General Manager Shurts concurred and added it is his recommendation to extend it. Commission Schreiner asked if we had to bid it. Mr. Bruno replied, we aren't required to change auditors and we prefer to keep LarsonAllen as our auditors because they are familiar with our business and we are familiar with what

they want to look at so the audit goes faster. It is his opinion we should keep them. One thing Mr. Bruno likes is they have looked at different items each time they have been here and really go through the process on the items they look at. The Commission consensus was the contract with the current auditors will be extended.

Manager, HR, Safety, Risk & Loss control Madson reported long time employee, Wally Hansen, who is a SCADA Operator will be retiring on May 31, 2009. OPU thanks him for his 34 years of service and wishes him well in his retirement.

### **Commission Roundtable**

President Stansberry again extended a welcome to Commissioner Cosens. He stated this agenda item is reserved for the opportunity of each commissioner to make any comments or bring up any item for discussion.

Commissioner Schreiner – I also would like to welcome Kim. Regarding union negotiations, thank you to OPU management for the work done on union negotiations and everyone involved. We would have liked to do more and realize utilities are unique where we have to remain competitive with other utilities, but with the downturn in the economy we have to plan and do what we think is best for our utilities.

Commissioner Cosens – Thanks to all the folks that helped with the orientation session. I learned a lot from it. Everyone has been very open and honest; very willing to share information.

### **Adjournment**

There being no further business to come before the Commission, President Stansberry asked for a motion to adjourn. Commissioner Schreiner made a motion to adjourn the meeting. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed. Meeting adjourned at 4:36 P.M.

Respectfully submitted,

Marjorie Madson,  
Manager, Human Resources