

The Owatonna Public Utilities Commission met in rescheduled session in the Commission Room. The meeting was rescheduled due to General Manager Shurts and other staff members attending the MMUA Annual Meeting. Present were Commissioners Stansberry, Schreiner, Emanuelson, Ihrke, and Cosens. Also present were General Manager Shurts; City Administrator Busse; Director, Financial & Administrative Services Bruno; Director, Engineering, Electric & Meter Services Johnson; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Electric Department Deering; Supervisor, Gas, Water, Buildings & Grounds Bendorf; Supervisor, Information & Financial Services Turnbull; Supervisor, Meter Services Pelot; and Executive/HR Assistant Schmoll. Other guests included Ray Hayward, Larry Johnston, Dave Geschwind and John Winter from Southern MN Municipal Power Agency.

General Manager Shurts led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of July 28, 2009 were presented to the Commission for their approval. Commissioner Emanuelson moved to approve the Minutes as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Personnel Committee – Commissioner Schreiner reported the Personnel Committee had nothing to report.

Finance Committee – Commissioner Emanuelson reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$3,888,047.13, cash flows, the investment report, balance sheets and income statements. Mr. Emanuelson further reported the Committee approved two works orders. One was for a Mustang loader in the amount of \$25,000 and the other was for \$10,000 to make the entry way on the Service Center building safer in the winter.

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

City Administrator Busse reported the City is continuing to work on their budgets and will be proposing a preliminary levy at their next meeting. The amount of the levy may depend on the amount of the local government aid received in 2009. City Administrator Busse further reported four City Council seats are up for re-election this year with three of the incumbents not running. Commissioner Cosens inquired on how much of the City's budget is the local government aid and what are the chances of reducing our reliance on that. City Administrator Busse replied about 27-28% of the budget is local government aid and to reduce the reliance on it would result in a big reduction in services the City provides. Commissioner Schreiner inquired on the status of the Water Park. City Administrator Busse replied the numbers have been down due to the weather, but the Park will be open until Labor Day, whereas other parks in the area have already closed so that should help to increase Owatonna's numbers.

### **Southern Minnesota Municipal Power Agency**

Ray Hayward, Larry Johnston, Dave Geschwind and John Winter from the Southern MN Municipal Power agency gave a presentation to the Commission regarding SMMPA and the benefits to OPU and its rate payers to extend the Power Sales Contract from the current expiration date of 2030 to the year 2050. Larry Johnston gave a brief background update on SMMPA and public power. Mr.

Johnston also discussed the advantages for OPU to belong to SMMPA and recapped benefits and services SMMPA has provided since the 1970s. Dave Geschwind explained why it is important to extend the Power Sales Contract now and discussed SMMPA's current and future capacity needs. John Winter discussed the economic importance of extending the contract now stressing that without the extension it would become necessary to finance long term bonds over a shorter period which could result in higher costs to the members. Mr. Winter also discussed debt service and its impact on members, as well as SMMPA's rates compared to the industry averages in Minnesota, the Midwest and Nationally. Ray Hayward concluded the presentation by discussing some frequently asked questions. The Commission thanked the SMMPA staff members for attending the meeting. Commissioner Cosens and the SMMPA staff left the meeting.

### **Contributed Services**

The Contributed Services report as of July 31, 2009 was presented to the Commission. The Commission signed the report.

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

General Manager Shurts reported he attended the MMUA Annual meeting. The MMUA board elected officers with Mr. Shurts holding the office of President. The board also approved dues for 2010 and is working on the climate change issue. Mr. Shurts reminded Commissioners Stansberry and Ihrke of the wind farm tour on September 8<sup>th</sup>.

Supervisor, Gas, Water, Buildings & Grounds Bendorf reported the house on Walnut has accepted the City's offer to buy it and will be presented to the Council on September 1<sup>st</sup> for approval. Mr. Bendorf further reported the house will be handled the same as the other with all salvageable items, such as windows and cupboards, will be donated to Habitat for Humanity. A budget item for the paving of those two lots will be included in the 2010 budget. Commissioner Stansberry asked for a motion from the Commission to move forward with the acquisition of 318 S. Walnut Ave. Commissioner Schreiner moved as such, Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

Supervisor, Information & Financial Services Turnbull updated the Commission on the Customer Management System OPU is in the process of installing. She reported the tentative "go live" date is set for December 1, 2009.

Manager, HR, Safety, Risk & Loss Control Madson reported the position of Instrument and Relay Technician has been filled by Bruce Tanberg II. Mrs. Madson added, Mr. Tanberg has 7 plus years of substation experience with companies such as L.E. Myers Company, RPU and Excel Energy. The position was previously vacated by Ryan Deering who was promoted to the Supervisor, Electric Services.

General Manager Shurts concluded staff is recommending the Commission extend the Power Sales Contract and noted it will be on the agenda for the September meeting.

### **Commission Roundtable**

Commissioner Ihrke – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Emanuelson – Thanked everyone who worked the OPU fair booth.

Commissioner Stansberry – It was nice to see the different capacity of workers at the OPU booth.

**Adjournment**

There being no further business to come before the Commission, Commissioner Emanuelson moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:54 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant