

The Owatonna Public Utilities Commission met in regular session in the training room at the Owatonna Fire Department. Present were Commissioners Cosens, Ihrke, Schreiner and Simon. Absent was Commissioner Stansberry. Also present were General Manager Bruno; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Power Production Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Information & Financial Services Turnbull; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman.

Commissioner Simon led the Pledge of Allegiance

### **Minutes**

The Minutes from the regular meeting of June 28, 2011 were presented to the Commission for approval. Commissioner Simon moved to approve the Minutes as presented. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers totaling \$4,569,900.79. Commissioner Cosens further reported electric and gas are a little behind budget but nothing too dramatic at this time.

Personnel Committee – Commissioner Cosens reported the Personnel Committee has received applications for the General Manager position and will be reviewing them to decide who to interview.

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

City Administrator Busse reported after the government shut down, local government aid to Owatonna was kept the same as in 2010 which is what the city budgeted for. It appears this will remain the same in 2012 as well. City Administrator Busse further reported changes are expected to the homestead agriculture aid program which will likely shift taxes to other properties. The City will be starting the budgeting process with the preliminary budget levy due September 6<sup>th</sup>. The goal is to keep it as close to a zero percent increase as possible.

### **Contributed Services**

The Contributed Services report as of June 30, 2011 was presented to the Commission. The Commission signed the report.

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

General Manager Bruno reported SMMPA received a preliminary site study from R.W. Beck indicating four possible sites for the proposed generation expansion in Owatonna. All four sites are close to the West Owatonna Substation and plan for a 32 MW facility with a possible expansion of 32 MW in the future. SMMPA has \$11 million proposed for each year 2013 through 2015 for the proposed project. The land will need to be purchased, the transmission line will need to be tapped, a natural gas line will need to be run to that area, actual engineering drawings need to be worked up and the permitting process needs to be completed (which could take some time) all indicating a substantial amount of money needing to be laid out in advance. Also, money has to be paid in advance for the units

to be delivered with the remainder due upon delivery. Commissioner Cosens inquired about locating the facility near the West Owatonna Sub, when we had proposed locating the unit adjacent to the Power Plant Sub. General Manager Bruno indicated to locate the facility downtown would require a single unit, and would require more money for attenuation. The attenuation would be required due to all the residential properties in the vicinity. SMMPA wants to install a gas fired reciprocating engine versus a jet engine due to a better heat rate. By locating the facility near the West Owatonna Sub we could connect to the current transmission lines. Mr. Bruno concluded by stating there are more positives than negatives for locating near the West Owatonna Sub. The only downside would be if a major storm came through. It could wipe out the whole area taking out power to the whole town.

Director, Financial & Administrative Services Fondell updated the Commission on the repurposing project. She noted, individual departments have been met with to discuss current work spaces and interaction between departments. A small group met with the architects to discuss preliminary organizational visioning, trends in industry, and what we would like down the road. The next step is a broader organizational visioning meeting. That meeting will be held on August 30<sup>th</sup>.

Director, Engineering, Electric & Meter Services Johnson reported we are still waiting to hear from the State on some of questions we posed regarding moving forward with the generation project and the repurposing project. Mr. Johnson also reported on several outages over the weekend caused by the storm that came through.

Director, Gas, Water & Power Production Green reported on some small issues the gas department dealt with over the last month.

Manager, Energy Management & External Relations Warehime gave the Commission an update on upcoming Marketing promotions.

Manager, HR, Safety, Risk & Loss Control Madson reported Jon Blough has been hired as our new Gas Engineering Technician. Mrs. Madson recapped his experience and qualifications and reported his first day of employment will be August 1<sup>st</sup>. Mrs. Madson distributed new applicant packets, as well as questions for the Commission to consider asking during the interviews for the general manager.

### **Commission Roundtable**

Commissioner Simon – Nothing.

Commissioner Ihrke – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Cosens – Thanked the other Commissioners and Mrs. Madson for all their work before and during the process for hiring the new general manager.

**Adjournment**

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:47 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant