

Regular Meeting
January 31, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Secretary Craig Lenz; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Marc Sebor; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

President Ackland called the meeting to order at 3:00 p.m.

Secretary Lenz made a motion to approve the minutes of December 27, 2000, as written. Vice President Wetterling seconded the motion and it passed unanimously.

Vice President Wetterling Made a motion to ratify the payment of bills in the amount of \$6,020,069,43 (detailed listing is in payables book). The motion was seconded by Commissioner Gilmer and passed unanimously.

Manager Kadrmas explained that due to the positive power cost adjustment, the amount collected was in error. Secretary Lenz made a motion seconded by Commissioner Gilmer to accept the financial statements, post the correct amount to the 2000 Financial Statement and recover the amount in 2001, over a twelve month period. The motion passed unanimously.

Vice President Wetterling made a motion to approve requisition #13982 to Mechanical Systems Inc. Seconded by Secretary Lenz, the motion carried unanimously.

Secretary Lenz made a motion to approve requisition #14005 to GE Packaged Power for a cooling manifold. Vice President Wetterling seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to approve requisition #13978 to Groebner and Associates for natural gas meter inventory. Seconded by Commissioner Walser the motion passed unanimously.

Commissioner Gilmer made a motion to approve requisition #13952 to RESCO for wire. Secretary Lenz seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to approve requisition #14047 to RESCO for 1/0 elbows. Secretary Lenz seconded the motion and it passed unanimously.

Secretary Lenz made a motion to approve requisition #14048 to Carr's Tree Service to do the tree trimming on our 230 KV Line. Vice President Wetterling seconded the motion and it passed unanimously.

The Hutchinson Library Board presented the need to replace windows in our local library. Commissioner Gilmer made a motion to approve up to a maximum of \$25,000.00, or one-half of the cost to replace, the Hutchinson Library windows with funds from 2001 Energy Conservation Fund. Seconded by Secretary Lenz the motion passed unanimously.

Secretary Lenz made a motion to table the decision on the remainder of the energy grant monies. Seconded by Commissioner Walser, the motion carried.

Manager – Business Division, Spethman and Manager – Natural Gas Division, Webster presented to the Commission their findings together with information from Maverick Pipeline Consultants and Phillip McLean of TransCanada Energy. Mayor Torgerson asked that they also present their findings at a joint meeting of City Council and Hutchinson Utilities Commission on February 22, 2000.

Commissioner Walser made a motion to accept the proposal from CNA Insurance for our boiler and machinery coverage requirements. Vice President Wetterling seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to approve requisition #14082 to Osmose Inc. for the pole reinforcement of our 230 KV line. Seconded by Commissioner Lenz the motion carried.

Manager Kadrmas reported that he and Business Manager Spethman are scheduled to meet with the APPA Group and congressional members in Washington D.C. next week.

Manager – Electric Division, Nelson and Attorney Schieffer are meeting with the DNR to resolve some river crossing issues for building the 115KV line.

Vice President Wetterling made a motion to move the February Commission meeting to March 1, 2001, to accommodate President Ackland's schedule. Commissioner Gilmer seconded the motion and it passed unanimously.

There being no further business, Secretary Lenz made a motion to adjourn the meeting. Seconded by Commissioner Lenz the motion passed unanimously.

Craig R. Lenz Secretary

Attest: _____
Paul L. Ackland, President

Special Meeting
February 13, 2001

Members Present: Vice President David Wetterling; Secretary Craig Lenz; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Marc Sebor; General Manager Clarence Kadrmaz; and Business Manager Patrick Spethman.

Vice President Wetterling called the meeting to order at 12:20 p.m.

Secretary Lenz made a motion to approve requisition #14115 to Great River Energy for poles to repair structures on the 230 KV line. Seconded by Commissioner Gilmer the motion carried unanimously.

Commissioner Gilmer made a motion to approve requisition #14124 to Utili-Trax for their labor to install poles on our 230 KV line. Secretary Lenz seconded the motion and it passed unanimously.

There being no further business, Commissioner Gilmer made a motion to adjourn. Secretary Lenz seconded the motion and it passed unanimously.

Craig R. Lenz Secretary

Attest: _____
Paul L. Ackland, President

Regular February Meeting
March 1, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Secretary Craig Lenz; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Richard Schieffer; General Manager Clarence Kadrmaz; and Business Manager Patrick Spethman.

President Ackland called the meeting to order at 3:00 p.m.

Commissioner Walser made a motion to approve the minutes of January 31, 2001. Secretary Lenz seconded the motion and it passed unanimously.

Secretary Lenz made a motion to approve the minutes of February 13, 2001, Special Meeting. Commissioner Gilmer seconded the motion and it passed unanimously.

Secretary Lenz made a motion to ratify the payment of bills in the amount of \$2,783,131.24 (detailed listing is in payables book). Commissioner Walser seconded the motion and it passed unanimously.

Secretary Lenz made a motion to approve the January financial statements. Vice President Wetterling seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to charge-off customer accounts in the amount of \$6,216.49. Commissioner Walser seconded the motion and it passed unanimously.

Commissioner Walser made a motion to approve the revised version of the Natural Gas Division Operation and Maintenance Manual. Seconded by Vice President Wetterling, the motion passed unanimously.

Secretary Lenz made a motion to approve the revised Natural Gas Division Emergency Plan. Vice President Wetterling seconded the motion and it passed unanimously.

The Commission decided April 27, 2001, would be a good date of the Open House and the annual Recognition Banquet.

Commissioner Walser made a motion to approve an additional \$10,000.00 to the Hutchinson Tree Board from the energy conservation fund. Seconded by Vice President Wetterling the motion passed unanimously.

Commissioner Gilmer made a motion to approve remaining energy conservation monies in the conservation fund to be used for commercial/industrial sector. Seconded by Vice President Wetterling the motion carried unanimously.

Commissioner Gilmer made a motion to approve a program modeled after the residential energy conservation program up to an amount of \$2,000.00 per grant, for our commercial/industrial customers. President Ackland seconded the motion and it passed unanimously.

Secretary Lenz made a motion to approve Requisition #14096 to Bates and Associates for natural gas pipe. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Walser made a motion to approve Requisition #14166 to Bally Refrigerated Boxes Inc. for the McLeod Substation building. Seconded by Commissioner Gilmer, the motion passed unanimously.

General Manager Kadrmias reported that the 115 KV line route will be changed to go around the river, crossing the river three times instead of five times. Easements for the line only need property owner signature for us to proceed with the line.

President Ackland and Vice President Wetterling will attend the next Labor/Management meeting on March 7, 2001, at 8:30 a.m.

General Manager Kadrmias will work out a date with City Administrator Plotz for the City Council and the Commission to review a proposal for the building of a natural gas transmission line.

There being no further business, Commissioner Gilmer made a motion to adjourn. Secretary Lenz seconded the motion and it passed unanimously.

Craig R. Lenz Secretary

Attest: _____
Paul L. Ackland, President

Regular Meeting
March 28, 2001

Members Present: Vice President David Wetterling; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney James Utley; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

Vice President David Wetterling called the meeting to order at 3:00 p.m.

Commissioner Walser made a motion to approve the minutes of the regular February meeting held on March 1, 2001, as written. Seconded by Commissioner Gilmer the motion passed unanimously.

Commissioner Gilmer made a motion to ratify the payment of bills in the amount of \$2,890,727.27 (detailed listing is in payables book). Commissioner Walser seconded the motion and it passed unanimously.

After review, Commissioner Walser made a motion to approve the February financial statements and the budget year-to-date. Commissioner Gilmer seconded the motion which passed unanimously.

Paul Harvego of Fawcett Young and Associates presented the year 2000 Financial Audit. Commissioner Gilmer made a motion to approve the year 2000 audit as presented. Commissioner Walser seconded the motion and it passed unanimously.

Commissioner Walser made a motion to approve modifications made to the Natural Gas Division Emergency Plan. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to approve Requisition #14273 to Border States Electric. Seconded by Commissioner Walser the motion passed unanimously.

Commissioner Gilmer made a motion to approve Requisition #14274 to Bell Lumber Company. Seconded by Commissioner Walser the motion passed unanimously.

Commissioner Walser made a motion to approve Requisition #14296 to Trench Limited. Seconded by Commissioner Gilmer the motion passed unanimously.

General Manager Kadrmas updated the Commission on the progress of the McLeod Substation and Unit #9.

Name tags will be made for the Commission and employees to be used for the open house on April 27, 2001. Prime rib or chicken and shrimp are the selections for the Third Annual Employee Recognition Banquet.

General Manager Kadrmas and Business Manager Spethman will contact The Hutchinson Leader for a news article to update the community on changes in this industry.

There being no further business, Commissioner Gilmer made a motion to adjourn the meeting. Seconded by Commissioner Walser the motion passed unanimously.

Roger L. Gilmer, Commissioner

Donald H. Walser, Commissioner

Attest: _____
David J. Wetterling, Vice President

Special Meeting
April 6, 2001

Members Present: Vice President David Wetterling; Commissioner Donald Walser; Commissioner Roger Gilmer; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

Vice President David Wetterling called the meeting to order at 7:10 p.m.

Commissioner Gilmer made a motion to approve for purchase to the low state bidder, Hinkley Chevrolet; requisition #14304, (replacement of Truck #30); requisition #14307, (replacement of Truck #41); and requisition #14325 (replacement of Van #16). Commissioner Walser seconded the motion and it passed unanimously.

Commissioner Walser made a motion to approve requisition #14326 to Carr Tree Service for the 115KV line and 230KV line right-of-way tree clearing. The motion was seconded by Commissioner Gilmer and passed unanimously.

There being no further business, Commissioner Gilmer made a motion to adjourn the meeting, seconded by Commissioner Walser the motion passed unanimously.

Roger L. Gilmer, Commissioner

Donald H. Walser, Commissioner

Attest: _____
David J. Wetterling, Vice President

Regular Meeting
April 25, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Secretary Craig Lenz; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Marc Sebor; General Manager Clarence Kadmas; and Business Manager Patrick Spethman.

President Ackland called the meeting to order at 3:00 p.m.

Commissioner Walser made a motion to approve the minutes of the March 28, 2001, meeting as written. Seconded by Vice President Wetterling the motion passed unanimously.

Commissioner Walser made a motion to approve the minutes of the special meeting on April 6, 2001 as written. Commissioner Gilmer seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to ratify the payment of March bills in the amount of \$2,698,659.16 (detailed listing is in payables book). Commissioner Gilmer seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to approve the financial statements and the budget year-to-date. Commissioner Gilmer seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to approve Phase II of the Natural Gas Pipeline Project and proceed with preliminaries of the EQB, DNR, Historical Society and affected counties. Commissioner Walser seconded the motion and it passed unanimously.

Secretary Lenz made a motion to ask the U. S. Environmental Protection Agency for an extension to respond the their settlement letter dated March 29, 2001, received in office on April 9, 2001. Vice President Wetterling seconded the motion and it passed unanimously.

Secretary Lenz made a motion to approve Requisition #14380 to C3 Ilex Systems for the McLeod Substation RTU, 3M Substation RTU, and master station modifications for Excel Energy use. Seconded by Commissioner Gilmer the motion passed unanimously.

Secretary Lenz made a motion to approve increases to equipment and labor rates as presented. Vice President Wetterling seconded the motion and it passed unanimously.

Commissioner Walser made a motion to decrease capital expenses from the 2001 budget as presented with the exception of the purchase of Van #16 if unable to rescind the purchase order currently in place. Seconded by Vice President Wetterling the motion passed unanimously.

Vice President Wetterling made a motion to increase the contribution to the City of Hutchinson by \$400.00 and suggest that the City Council use the increase for the Hutchinson Jaycees. Commissioner Walser seconded the motion and it passed unanimously.

General Manager Kadrmias reported to the Commission on a visit to Oklahoma City to review our natural gas reserves. A list of firms will be sent to us to appropriate services for an audit of remaining reserves.

Building the 115KV transmission line from 3m Substation to McLeod Substation is on hold due to extensive rainfall. The contractor for the substation will start next week.

Our Open House will be held on April 27, from 1:00 p.m. to 5:00 p.m. The third annual Recognition Banquet will begin at 6:30 p.m. at the Crow River Country Club.

There being no further business, Vice President Wetterling made a motion to adjourn the meeting. Commissioner Gilmer seconded the motion and it passed unanimously.

Craig R. Lenz Secretary

Attest: _____
Paul L. Ackland, President

Regular Meeting
May 30, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Marc Sebor; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

President Ackland called the meeting to order at 3:00 p.m.

Vice President Wetterling made a motion to approve the minutes of April 25, 2001, as written. Seconded by Commissioner Gilmer, the motion carried unanimously.

Commissioner Gilmer made a motion to ratify the payment of bills in the amount of \$2,141,529.03 (detailed listing is in the payables book.) Vice President Wetterling seconded the motion and it passed unanimously.

After review of the financial statements and budget year-to day, Vice President Wetterling made a motion to approve them. Seconded by Commissioner Walser the motion passed unanimously.

Commissioner Gilmer made a motion to approve the list of charge-off accounts as presented. Commissioner Walser seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to inform the City of Hutchinson that Hutchinson Utilities has no objection to approve the Sale of Parcel 13 Plat No. 55 to McLeod County. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Walser made a motion to accept the quote from Northern Pipeline Construction for projects not to exceed the budgeted amount. Vice President Wetterling seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to approve requisition #14492 to Okay Construction Company to do the 115KV line stringing and tensioning. Seconded by Commissioner Walser the motion passed unanimously.

General Manager Kadrmas informed the Commission that the ground work for McLeod Substation has slowed due to rain.

Unit #9 is working well on natural gas but some work is being done to correct the problem when using #2 Fuel Oil.

Letters to contractors have been sent informing them of our new equipment and hourly rates.

Council Seboria will find out what was paid for the Walmart property and work with Tim Hacker and staff to find a fair market value for the McCormick easement.

Vice President Wetterling made a motion to withdraw Hutchinson Utilities Commission's present Resolution 5B, allowing investments in Treasury Bills, Notes and Bonds, in order to allow investing by state statute as outlined by the League of Minnesota Cities. Seconded by Commissioner Gilmer the motion passed unanimously.

Commissioner Gilmer made a motion to modify the personnel policy on business related vehicle operation. Vice President Wetterling seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to authorize staff and council to settle the current EPA fine up to a maximum of \$40,000.00. Commissioner Walser amended the motion to authorize staff and council to reach a settlement up to a maximum of \$55,000.00. The amendment was seconded by Commissioner Gilmer and passed unanimously. The motion was seconded by Commissioner Walser and passed unanimously.

There being no further business, Commissioner Walser made a motion to adjourn. Seconded by Vice President Wetterling the motion passed unanimously.

David J. Wetterling, Vice President

Attest: _____
Paul L. Ackland, President

Regular Meeting
June 27, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Secretary Craig Lenz; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Marc Sebor; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

President Ackland called the meeting to order at 3:00 p.m.

Commissioner Gilmer made a motion to approve the May 30, 2001, minutes as amended by deleting a sentence on the second page stating that "Expected opposition and understanding have been received." Secretary Lenz seconded the motion and it passed unanimously.

Secretary Lenz made a motion to ratify the payment of bills in the amount of \$3,295,499.08 (detailed listing is in payables book). Commissioner Walser seconded the motion and it passed unanimously.

Vice President Wetterling made a motion to approve the financial statement and budget year to date. Secretary Lenz seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to approve the addition of a Work Order to the 2001 Budget for alley improvements in City Block #26. Vice President Wetterling seconded the motion and it passed unanimously.

Commissioners Walser and Vice President Wetterling volunteered to attend the Labor/Management Meeting June 29, 2001, at 8:30 a.m.

Commissioner Walser made a motion to approve requisition #14611 to Border States Electric for the McLeod Substation Control Cable. Vice President Wetterling seconded the motion and it passed unanimously.

General Manager Kadrmas informed the Commission that the McLeod transformer was shipped from Canada on Monday and will be transported from Glencoe by special carrier when the concrete slab is ready.

The condemnation process has begun on property for the 115KV line easements. Mr. Hacker will be asked to complete the appraisals as soon as possible.

Secretary Lenz made a motion to approve establishing a checking account at Americana National Bank in Albert Lea, Minnesota, which will receive deposits from lock box processor AmeriNational Remittance Services, Inc., a subsidiary of

Americana National Bank. Seconded by Commissioner Walser the motion passed unanimously.

Customer Ed Rettman arrived to protest being invoiced for the demolition of a building which caused an outage.

Commissioner Walser made a motion to stand by the approved Labor and Material Rates. Commissioner Gilmer seconded the motion. After discussion, Commissioner Walser withdrew his motion with the approval of Commissioner Gilmer who had seconded the motion.

Commissioner Walser made a motion to enforce the policy prior to April 25, 2001, on the invoice to Mr. Rettman, billing for material, labor, and a \$50.00 administration fee, because letters to the contractors were not received until May 3, 2001. Secretary Lenz seconded the motion and it passed unanimously.

There being no further business of the Commission, Secretary Lenz made a motion to adjourn the meeting. Seconded by Vice President Wetterling the motion passed unanimously.

Craig Lenz, Secretary

Attest: _____
Paul L. Ackland, President

Regular Meeting
July 25, 2001

Members Present: Vice President David Wetterling; Commissioner Donald Walser; Commissioner Roger Gilmer, Attorney Marc Sebor; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

Vice President Wetterling called the meeting to order at 3:07 p.m.

Commissioner Walser made a motion to approve the June 27, 2001, minutes as written. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to ratify the payment of bills in the amount of \$2,954,821.57 (detailed listing is in payables book). Commissioner Walser seconded the motion and it passed unanimously.

Commissioner Walser made a motion to approve the financial statement and budget year to date. Commissioner Gilmer seconded the motion and it passed unanimously.

Customers Mr. & Mrs. Michael Campa were welcomed to the meeting to discuss late charges. Late charges will be credited with the understanding that the customer will be utilizing the auto payment plan.

A settlement with the EPA has been delayed until September.

Poles for the 115KV line are being set on City property. Attorney Dick Schieffer has filed condemnation proceedings today which should allow poles to be set after 90 days. 3M is working on documentation for setting poles on their property.

The transformer is being stored in Glencoe's railroad yard. The McLeod Substation pad is finished. Work is being done on the road to enable transport of the transformer to the pad. The steel structure should be erected in mid August and 230KV line tap should begin mid October.

League of Minnesota Cities is working on unit #9 and will be hiring legal council for the air permitting.

Commissioner Walser made a motion to approve Requisition #14675 to T J Service for light poles. Commissioner Gilmer seconded the motion which passed unanimously.

There being no further business of the Commission, Commission Walser made a motion to adjourn the meeting. Seconded by Commissioner Gilmer the motion passed unanimously.

Roger L. Gilmer, Commissioner

Donald H. Walser, Commissioner

Attest: _____
David J. Wetterling, Vice President

Regular Meeting
August 29, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Secretary Craig Lenz; Commissioner Roger Gilmer; Attorney Richard Schieffer; General Manager Clarence Kadrmas; Natural Gas Division Manager John Webster.

President Ackland called the meeting to order at 3:00 p.m.

Vice President David Wetterling made a motion to approve the July 25, 2001, minutes as written. Commissioner Gilmer seconded the motion and it passed unanimously.

The Commissioners welcomed Jim Hanson, of Hanson Vacek Construction, to the meeting. Mr. Hanson felt the \$150.00 administration fee for work done on his gas line was excessive. Secretary Lenz made a motion seconded by Commissioner Wetterling to set the administration fee back to \$50.00 until a better fee schedule could be presented. The motion passed unanimously.

Secretary Lenz made a motion to ratify the payment of bill in the amount of \$2,150,473.06 (detailed listing is in payables book). Commissioner Gilmer seconded the motion and it passed unanimously.

After review of the financial statement and the budget year to date, Vice President Wetterling made a motion to approve them. Seconded by Secretary Lenz the motion passed unanimously.

Vice President Wetterling made a motion to approve Requisition #14716 to Century Fence for the McLeod Substation. Secretary Lenz seconded the motion which passed unanimously.

Commissioner Gilmer made a motion to remove Work Order #50101, in the amount of \$35,000.00, for a Mansard Roof, and add Work Order #50111, in the amount of \$17,000.00, for a new communication system. Seconded by Secretary Lenz the motion passed unanimously.

Union stewards have requested to have a meeting with Commission representation, without the presence of Commission attorney or union representative, to discuss changes in wages and medical insurance contribution as the only issues for a new labor contract. The Commission would like to have that in writing to insure no liability with the union leadership. President Ackland and Commissioner Gilmer will be present at the next Labor/Management meeting on Wednesday September 5, 2001 at 8:30 a.m.

John Webster, Manager – Natural Gas Division updated the Commission on projected timelines, routes, and related issues in building a natural gas transmission pipeline from Hutchinson to Trimont.

General Manager Kadrmas informed the Commission that the McLeod Substation is on schedule to be tapped into the 230KV line November 8, 2001, and energize the new 115KV line on December 3, 2001.

General Manager Kadrmas informed the Commission that Associated Consultants Engineers are sending a letter to the MPCA correcting an error in the test plan for Unit #9.

There being no further business, Commissioner Gilmer made a motion to adjourn, seconded by Vice President Wetterling the motion passed unanimously.

Craig Lenz, Secretary

Attest: _____
Paul L. Ackland, President

Regular Meeting

September 26, 2001

Members Present: President Paul Ackland; Vice President David Wetterling; Secretary Craig Lenz; Commissioner Roger Gilmer; Commissioner Donald Walser; Attorney Marc Sebor; General Manager Clarence Kadrmas; and Business Manager Patrick Spethman.

President Ackland called the meeting to order at 3:00 p.m.

Greg Oxley from Minnesota Municipal Utilities Association informed the Commission of pertinent legislation affecting municipal utilities.

Secretary Lenz made a motion to nominate David J. Wetterling for the position of President. Commissioner Gilmer seconded the motion. The motion passed unanimously. Secretary Lenz made a motion that nominations cease. Commissioner Gilmer seconded the motion. The motion passed unanimously.

Vice President Wetterling made a motion to nominate Craig R. Lenz as Vice President. Commissioner Gilmer seconded the motion. Commissioner Walser made a motion that all nominations cease. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Walser made a motion to elect David J. Wetterling for the position of President of the Commission and Craig R. Lenz as Vice President of the Hutchinson Utilities Commission. Seconded by Commissioner Gilmer the motion passed unanimously.

President-elect Wetterling appointed Donald H. Walser as Secretary.

President-elect Wetterling appointed the firm of Anderson, Dove, Fretland, and Van Valkenburg, PLLP as legal council until January 31, 2002.

President-elect Wetterling appointed Garnette Marvan as recording assistant Secretary.

President-elect Wetterling appointed Craig R. Lenz and General Manager Kadrmas to receive drug reports.

President-elect Wetterling designated Citizens Bank and Trust Company, Marquette Bank, First Bank of Minnesota, Wells Fargo, First State Federal, and Americana National Bank as depositories for Utility funds.

Commissioner Gilmer made a motion to approve the Minutes of August 29, 2001, as written. Seconded by Vice President Wetterling, the motion passed unanimously.

Vice President Wetterling made a motion to ratify the payment of bills in the amount of \$2,407,795.04 (detailed listing is in payables book). Secretary Lenz seconded the motion which passed unanimously.

Secretary Lenz made a motion to approve the financial statements and budget year-to-date. Commissioner Walser seconded the motion and it passed unanimously.

Richard Schieffer and General Manager Kadrmass reported that after meeting with the Environmental Protection Agency on September 19, 2001, in Chicago, the settlement conference achieved a reduction from \$55,000 to \$39,000. No action is required.

Commissioner Gilmer made a motion to approve customer charge-offs in the amount of \$2,304.44. Vice President Wetterling seconded the motion and it passed unanimously.

Commissioner Walser made a motion to remove Work Order numbers 60105 and 60108 in the amount of \$112,000.00, and add Work Order 20114 for the new Sommerset Addition in the amount of \$10,000.00 to the 2001 Budget. Commissioner Gilmer seconded the motion and it passed unanimously.

After review of the equipment and labor hour rates, Commissioner Walser made a motion to add \$2.00 to each charge for equipment hourly rates, raise the hourly labor fee to \$60.00, and set the administration fee at \$75.00. Seconded by Secretary Lenz the motion passed unanimously.

Business Manager Spethman, reported that we have received letters of intent from the City of New Ulm, and Heartland Corn for our natural gas transmission pipeline project. The certificate of need will be filed by mid October 2001. The Commission agreed to hire Bruce Hanson of Oppenheimer Funds as our legal counsel on the project.

Commissioner Walser made a motion to approve an Advertisement for Bids for the Hutchinson Substation Transformer. Secretary Lenz seconded the motion and it passed unanimously.

General Manager Kadrmass informed the Commission that a new energizing date for the McLeod Substation is set for mid December 2001.

There being no further business of the Commission, Secretary Lenz made a motion to adjourn. Seconded by Commissioner Gilmer the motion passed unanimously.

Craig Lenz, Secretary

Attest: _____
Paul L. Ackland, President

Regular Meeting
October 31, 2001

Members Present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Paul Ackland; Attorney Marc Sebor; General Manager Clarence Kadrmas; Business Manager Patrick Spethman; Electric Division Manager Donald Nelson; Natural Gas Division Manager John Webster.

President Wetterling called the meeting to order at 3:00 p.m.

Secretary Walser made a motion to approve the minutes of September 26, 2001, with the correction of changing President Wetterling's name in the 5th paragraph from Donald to David. Seconded by Commissioner Ackland the motion passed unanimously.

Customer Todd Bradley was welcomed to the meeting. Todd explained that he had not called Gopher State One Call when doing trenching on his property. Commissioner Ackland made a motion to reduce the third party administration fee from \$2,500.00 to \$75.00. Vice President Lenz seconded the motion and it passed unanimously.

Contractor Ken Cote of Kraus-Anderson Construction questioned a billing for the services to Menards. No action was taken.

Contractor Craig Reiner explained the cutting of a customer's service. Since the service was not HUC's Property, Commissioner Ackland made a motion to reduce the administration fee to \$75.00. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion that the Commission draft a resolution to the City of Hutchinson, recommending that all excavating contractors and demolishing contractors be required to obtain a license/permit and submit a Bond. Commissioner Ackland seconded the motion and it passed unanimously. Counsel Sebor will present this resolution to the Commission for final approve at the November meeting.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$1,722,449.57 (detailed listing is in payables book). Seconded by Commissioner Ackland the motion passed unanimously.

Vice President Lenz made a motion to approve the financial statement and the budget year to date. Secretary Walser seconded the motion and it passed unanimously.

The Commission reviewed the Hutchinson Tree Board report for the year 2001. Vice President Lenz made a motion to approve a \$30,000.00 request for the Hutchinson Tree Board for the year 2002 Energy Conservation Program. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve requisition #14854 to Border States Electric for transformers. Seconded by Vice President Lenz the motion passed unanimously.

Secretary Walser made a motion to rescind a motion made at the September 26, 2001, to charge off accounts in the amount of \$2,304.44 and approve an amount to be charged off in the amount of \$563.05. Commissioner Ackland seconded the motion and it passed unanimously.

The Commission reviewed preliminary numbers for the Year 2002 Budget.

Next month, the Commission will review a change to the "Pay in Advance" policy.

President Wetterling and Secretary Walser will attend the next meeting of Labor/Management on November 7, 2001, at 8:30 a.m.

General Manager Kadrmas reported the 115KV line and McLeod Substation are progressing. The 115KV line is scheduled to begin stringing next week.

General Manager Kadrmas reported on his attendance at a City of Hutchinson Charter Review Committee Meeting.

Business Manager Spethman reported that the Certificate of Need for the construction of the natural gas pipeline is being reviewed by consultants and should be ready to submit to the state by the end of November.

Vice President Lenz made a motion to approve the refinancing of the 1993 Series Revenue Bond Refunding. Secretary Walser seconded the motion and it passed unanimously. Further action needs to be taken by the City of Hutchinson and is on their November 13, 2001 City Council Agenda.

There being no further business, Vice President Lenz made a motion to adjourn. Seconded by Commissioner Ackland the motion passed unanimously.

Donald H. Walser, Secretary

Attest: _____

David J. Wetterling, President

Regular Meeting
November 28, 2001

Members Present: Vice President Craig Lenz; Secretary Donald Walser; Commissioner Paul Ackland; Commissioner Roger Gilmer; Attorney Marc Seborá; General Manager Clarence Kadrmás; Business Manager Patrick Spethman; Mayor Torgerson.

Vice President Lenz called the meeting to order at 3:00 p.m.

Commissioner Ackland made a motion to approve the minutes with a change to paragraph 7, suggested by Secretary Walser, to clarify that "all excavating contractors and demolishing contractors" be required to obtain a license/permit and submit a bond. Also on page 2, that Secretary Walser is referred to as the Vice President. With these changes the minutes were seconded by Commissioner Gilmer and approved unanimously.

Commercial energy grant rules and regulations will be reviewed for the future to limit one grant per building.

Commissioner Ackland made a motion to ratify the payment of bills in the amount of \$1,319,967.36 (detailed listing is in payables book). Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve the financial statement and budget year-to-date. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to approve a contribution to the City of Hutchinson for the year 2002 in the amount of \$840,000.00. Secretary Walser seconded the motion and it passed unanimously.

After discussion, Commissioner Ackland made a motion to approve the year 2002 budget with a \$10,000.00 reduction in AD-7 for meter sockets. Secretary Walser seconded the motion and it was approved unanimously.

Proposed options were discussed for the new Excavation and Demolition license/permit. Attorney Seborá will investigate if bonds of this type are available.

Commissioner Ackland made a motion to approve a change in policy that HUC will no longer furnish meter sockets as of January 1, 2002. Secretary Walser seconded the motion and it passed unanimously. Other changes in policy will be presented to the Commission and new policy books printed.

Commission's Gilmer and Ackland will be available for a Special Meeting at noon, on December 11, 2001. Secretary Walser and Vice President Lenz would be available by conference call.

Commissioner Ackland made a motion to approve Requisition #15030 to Technical Coatings Inc. Seconded by Commissioner Gilmer the motion passed unanimously.

General Manager Kadrmas reported that the McLeod Substation and 115KV transmission line are going well. The transformer for the 3M Substation is due to arrive in December with tie-in scheduled to coincide with 3M's Easter shut-down. Permits are being procured for the northern transmission line to be constructed in 2003. The Hutchinson Substation transformer bids will be awarded in December 2001.

Commissioner Ackland made a motion to approve the application for "Certificate of Need" that will be presented to the Minnesota Public Utilities Commission for the proposed natural gas transmission line. Seconded by Secretary Walser the motion passed unanimously.

There being no further business of the Commission, Vice President Lenz made a motion to adjourn. Seconded by Commissioner Gilmer the motion passed unanimously.

Donald H. Walser, Secretary

Attest: _____
Craig Lenz, Vice President

Special Commission Meeting
December 11, 2001, Noon

Members Present: President, David Wetterling; Vice President Craig Lenz; Commissioner Roger Gilmer; Commissioner Paul Ackland; Business Manager, Patrick Spethman, and Steve Affelbacher, of Ehlers and Associates, Inc.

President Wetterling called the noon meeting to order.

Business Manger Spethman updated the Commission on MISO meetings being held and the affects it may have on costs for power to Hutchinson Utilities Commission.

Commissioner Ackland made a motion to adopt a resolution relating to the current refunding of \$14,075,000 Public Utility Revenue Bonds, Series 6/8/1993, authorizing the Hutchinson City Council to provide for the issuance and sale thereof. Vice President Lenz seconded that motion and it passed unanimously.

There being no further business at this time, Commissioner Ackland made a motion to adjourn. Seconded by Commissioner Gilmer the motion passed unanimously.

Craig R. Lenz, Vice President

Attest: _____
David J. Wettelring, President

Regular Meeting
December 26, 2001

Members Present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Paul Ackland; Commissioner Roger Gilmer; Attorney Marc Sebor; General Manager Clarence Kadrmas; Business Manager Patrick Spethman.

President Wetterling called the 3:00 p.m. meeting to order.

Commissioner Gilmer made a motion to approve the minutes of regular meeting, November 28, 2001. Secretary Walser seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve the minutes of special meeting, December 11, 2001. Commissioner Ackland seconded the motion which passed unanimously.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$1,826,207.78 (detailed listing is in payables book). Commissioner Gilmer seconded the motion and it passed unanimously.

After review of the financial statements and budget year to date, Commissioner Ackland made a motion to approve them. Seconded by Vice President Lenz, the motion passed unanimously.

Customer Jarvis Watnemo presented issues to the Commission on natural gas prices. The fuel cost adjustment answered his concerns.

Commissioner Gilmer made a motion to waive bid irregularities and award the Hutchinson Substation Transformer to Waukesha Electric Systems in the amount of \$616,100.00. The motion was seconded by Commissioner Ackland and passed unanimously.

General Manager Kadrmas informed the commission that the 3M Transformer is now scheduled to be delivered next year.

The natural gas transmission line certificate of need was presented to the Public Utilities Commission.

There being no further business, Commissioner Ackland made a motion to adjourn. Seconded by Vice President Lenz the motion carried unanimously.

Donald H. Walser, Secretary

Attest: _____
David J Wetterling, President