

Regular Meeting  
January 30, 2002

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

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

Secretary Walser made a motion to approve the Minutes of December 26, 2001. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to ratify the payment of bills in the amount of \$2,257,426.28 (detailed listing is in payables book). Secretary Walser seconded the motion and it passed unanimously.

After review of the financial statement and the Budget Year-to Date, Secretary Walser made a motion to approve them. Commissioner Gilmer seconded the motion and it passed unanimously.

The McLeod County Veterans Park Committee was welcomed to the meeting. They gave a presentation on the new Veterans Park. The Committee made a request for funding, and was informed that would be better discussed with City Council.

Secretary Walser made a motion to Advertise for Bids for the Hutchinson Substation Circuit Breakers. Seconded by Commissioner Gilmer seconded the motion and it passed unanimously.

Because of thefts occurring at the center, Secretary Walser made a motion to approve a work order for an upgrade of building security in the amount of \$20,000.00. Seconded by Commissioner Gilmer the motion passed unanimously.

Commissioner Gilmer made a motion to approve Requisition #15179 to GE Packaged Power for Unit 1 modifications. Seconded by Secretary Walser the motion passed unanimously.

Commissioner Gilmer made a motion to approve Requisition #15187 to Okay Construction for replacement of 8 poles on the 230KV Line. Seconded by Secretary Walser, the motion passed unanimously. The work was not completed in 2001 because of weather.

Secretary Walser made a motion to approve Requisition Numbers 15189 and 15190 to Perkins Inc. for the replacement of trucks #24 and #32. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to approve Requisition 15206 to Forcier-Marty's Roofing for Plant #1. Secretary Walser seconded the motion and it passed unanimously.

Boiler and Machinery Equipment Insurance was discussed. Action will be taken at the February meeting.

Commissioner Gilmer made a motion to approve the Natural Gas Emergency Plan and the Operations and Maintenance Manual for 2002 updates. Secretary seconded the motion and it passed unanimously.

Commissioner Gilmer will attend the February 6, 2002, 8:30 a.m. Labor/Management meeting.

President Wetterling and Secretary Walser will be attending the February 14, 2002, Labor Mediation meeting at 10:00 a.m.

The 3M Transformer is now scheduled to arrive March 12, 2002.

The Natural Gas Transmission Line, Certificate of Need, is still progressing at the Minnesota Public Utilities Commission.

Business Manager Spethman will present a new budget payment policy change to the Commission in February.

Marc Seborra will write a draft ordinance and present it at the February meeting requesting the City of Hutchinson to require excavation contractors to acquire licenses.

Secretary Walser made a motion to approve UBS PaineWebber as a depository. Commissioner Gilmer seconded the motion and it passed unanimously.

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

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Donald H. Walser, Secretary

Attest: \_\_\_\_\_  
Craig R. Lenz, Vice President

Regular Meeting  
February 27, 2002

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

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

President Wetterling appointed Sue Winter as recording assistant secretary.

Secretary Walser made a motion to approve the minutes of January 30, 2002. Commissioner Gilmer seconded the motion and it passed unanimously.

Secretary Walser made a motion to ratify the payment of bills in the amount of \$2,246,204.39 (detailed listing is in payables book). Commissioner Ackland seconded the motion and it passed unanimously.

Ron Traeger, Allied adjuster for League of Minnesota Cities (LMCIT), was welcomed to the meeting. The suit against Hutchinson Utilities was discussed. In a letter, LMCIT recommends settling the claim and would like direction from Hutchinson Utilities whether to make legal settlement. The Commission asked Mr. Traeger to work out a settlement and to keep Attorney Sebora informed.

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

Vice President Lenz made a motion to approve the bid for Hutchinson substation circuit breakers to Electro Tech in the amount of \$202,000. Commissioner Ackland seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to Advertise for Bids for Plant #1 cooling tower upgrade. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #15286 to RESCO for Hutchinson substation conductor. Commissioner Gilmer seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to approve Requisition #15254 to CC Day Company for oil exhaust vent. Vice President Lenz seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to accept the proposal from Cincinnati Insurance Company for boiler and machinery equipment insurance. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Underground Piercing as the directional boring contractor for 2002 construction season. Commissioner Gilmer seconded the motion and it passed unanimously.

General Manager Kadrmas reported on the McLeod substation. Tie-in is still scheduled for Easter weekend.

General Manager Kadrmas and Business Manager Spethman discussed the natural gas pipeline (with Northern Natural Gas Company). There is an administrative hearing in Saint Paul on Monday, March 4, 2002.

General Manager Kadrmas reported on labor negotiations. Union members will meet on March 5, 2002, to vote on the contract.

Business Manager Spethman discussed the medical insurance \$100,000 restricted fund. Vice President Lenz made a motion to disband the medical insurance restricted fund and to transfer the \$100,000 to Hutchinson Utilities checking account. Commissioner Gilmer seconded the motion and it passed unanimously.

The payment drop box at City Center was damaged and will be replaced.

General Manager Kadrmas and Business Manager Spethman discussed R & R Contracting arrears in the amount of \$9,678. There are also issues with amounts for substation work. No action was taken. R & R Contracting should come to a Commission meeting to discuss these amounts.

Attorney Sebor presented revisions to Hutchinson Utilities current policy requesting the City of Hutchinson to require excavation contractors to acquire licenses and be bonded. After discussion, Secretary Walser made a motion to submit the policy with the proposed changes to Hutchinson City Council and that General Manager Kadrmas be involved with setting the bond amount. Vice President Lenz seconded the motion and it passed unanimously.

Business Manager Spethman presented budget payment policy update. Budgets will be reviewed annually and Business Manager Spethman was given proxy to increase/decrease budget amount if customer's balance is two or more times the current budget.

General Manager Kadrmas salary was discussed. Commissioner Ackland made a motion to approve a 3% increase for General Manager Kadrmas, contingent upon acceptance of exemption filed with the State of Minnesota. Vice President

Lenz seconded the motion and it passed unanimously. Commissioner Gilmer made a motion to approve a 1% merit increase for General Manager Kadrmass, contingent upon acceptance of exemption filed with the State of Minnesota. Secretary Walser seconded the motion and it passed unanimously.

There being no further business, the meeting was adjourned.

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
March 27, 2002

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

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

Secretary Walser made a motion to approve the minutes of February 27, 2002. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$1,798,516.79 (detailed listing is in payables book). Secretary Walser seconded the motion and it passed unanimously.

Mrs. Brian Laabs, Hutchinson Utilities customer, was welcomed to the meeting. A power stat meter was installed at their residence. Mrs. Laabs said she contacted Heartland Community Action Agency for energy assistance. After discussion, it was decided to remove the power stat meter and the Laabs' would pay the past due amount of \$304.43, go on Utility budget payment plan and the automatic bank payment plan.

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

The union has approved the union contract. Vice President Lenz made a motion to ratify the Union Contract, which will be effective January 1, 2002 through December 31, 2004. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve the bid for Plant #1 Cooling Tower Upgrade (for work order 10205) to Psychrometric Systems in the amount of \$72,800. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15422 (for work order 10202) to Pro Tech Power Sales Inc. for control switches. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #15388 (for work order 10202) to Southern States/Electro Tech for a circuit switcher. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15075 (for work order 10005) to McLeod Cooperative Power Association for McLeod substation. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #15450 (for work order 10202) to Schweitzer C/O Pro Tech Power Sales for relays. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15332 (for work order 50203) to Lee Motor Company for cab and chassis to replace Truck #25. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #15333 (for work order 50203) to Crysteel Truck Equipment for utility box, welder/generator, air compressor, etc. to replace Truck #25. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15335 (for work order 50205) to Lee Motor Company for cab and chassis with dump body package to replace Truck #12. Secretary Walser seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15451 (for work order 10202) to Southern States/Electro Tech Inc. for disconnect switches with insulators. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #15454 to RESCO for wire. Vice President Lenz seconded the motion and it passed unanimously.

Paul Harvego of Fawcett Young and Associates presented the year 2001 financial audit. Vice President Lenz made a motion to approve the year 2001 audit as presented. Secretary Walser seconded the motion and it passed unanimously.

General Manager Kadrmas reported on the McLeod substation. Tie-in will be done on Sunday, March 31, 2002.

General Manager Kadrmas and Business Manager Spethman discussed the natural gas pipeline. Public hearings will be held in Hutchinson on May 15, 2002 and in Sleepy Eye on May 16, 2002.

General Manager Kadrmas discussed emergency repairs on LM6000 (unit #1). The cost to do these emergency repairs is \$57,000. The engine is scheduled to be removed and repaired the first week of May. General Manager Kadrmas would like to do these emergency repairs at that time also. After discussion,

Secretary Walser made a motion to increase unit #1 maintenance budget amount from \$200,000 to \$257,000. Vice President Lenz seconded the motion and it passed unanimously.

Secretary Walser will attend the next Labor/Management meeting on Wednesday, April 3, 2002 at 8:30 a.m.

The annual recognition dinner will be on Friday, April 26, 2002.

Attorney Seborra informed the Commission that the Hutchinson City Council approved the first reading of the ordinance that would require excavation contractors acquire a license and be bonded. The second reading of the ordinance was deferred until the April 9, 2002 Council meeting.

Attorney Seborra has not received any information regarding lawsuit against Hutchinson Utilities. He was unable to reach Ron Traeger, Allied adjuster for League of Minnesota Cities.

Attorney Seborra received notification on an easement that Hutchinson Utilities owns and holds in Sherburne County. Pole structures are not included in the easement. Attorney Seborra requested permission to release the current easement and to issue a new easement to include pole structures. Vice President Lenz made a motion to release the current easement and to issue a new easement to include pole structures. Secretary Walser seconded the motion and it passed unanimously.

There being no further business, Vice President Lenz made a motion to adjourn the meeting. Secretary Walser seconded the motion and it passed unanimously.

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
April 24, 2002

Members present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Roger Gilmer; General Manager Clarence Kadrmas; Business Manager Patrick Spethman and Mayor Torgerson.

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

Secretary Walser made a motion to approve the minutes of March 27, 2002. Vice President Lenz seconded the motion and it passed unanimously.

General Manager Kadrmas discussed the McLeod Substation site work contract payment. Brent Reiner from R & R Excavating explained work done on McLeod substation. It was decided to have Ulteig Engineers, who were the engineers for McLeod substation project, present at the next Commission meeting. R & R Excavating arrears amount was discussed. Billing charges were for hitting 2 gas lines and 1 electric line. Business Manager Spethman will review the billings (material, labor, penalties) and contact Mr. Reiner to let Mr. Reiner know the amount. Commission made an offer to have Mr. Reiner pay 50% of the arrears.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$2,275,606.81 (detailed listing in payables book). Commissioner Gilmer seconded the motion and it passed unanimously.

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

Secretary Walser made a motion to remove work order 50208, in the amount of \$20,000, for meter test station for vehicle #18. Vice President Lenz seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #15452 (for work order 10202) to Border States Electric Supply for six 115KV capacitor coupled voltage transformers. Commissioner Gilmer seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15463 to Dakota Supply Group for 1/0 primary conductor for 2002. Secretary Walser seconded the motion and it passed unanimously.

General Manager Kadrmas discussed the Replacement Switch Agreement (for the Blaine substation) with Great River Energy. Great River Energy will install a circuit breaker instead of Hutchinson Utilities replacing the switch. The cost to replace the motor operated switch was estimated at \$41,186. Hutchinson

Utilities will pay Great River Energy \$41,186 towards the installation of a circuit breaker. The breaker will be Great River Energy's responsibility to maintain. Vice President Lenz made a motion to approve Replacement Switch Agreement with Great River Energy. Secretary Walser seconded the motion and it passed unanimously.

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

General Manager Kadrmas reported on the Hutchinson substation.

General Manager Kadrmas and Business Manager Spethman discussed the natural gas pipeline. Environmental Quality Board (EQB) meetings are now being held. A meeting has to be held in each county that the line will be located.

The Recognition Banquet will be on April 26, 2002, at the Crow River Country Club.

Vice President Lenz made a motion to increase the contribution to the City of Hutchinson by \$400 and suggest that the City Council use the increase for the Hutchinson Jaycees. Secretary Walser seconded the motion and it passed unanimously.

Mayor Torgerson informed the Commission the ordinance that would require excavation contractors acquire a license and be bonded was tabled at the last council meeting due to wording in one paragraph. The wording has been changed and the ordinance will be presented at the next council meeting.

New credit cards are being issued for commissioners, managers and purchasing agent, due to the closing of the Marquette Bank.

General Manager Kadrmas gave a Gas Wells Reserve Report to the Commissioners to review. If there are any questions about the report, contact General Manager Kadrmas.

Regarding the legal claim against Hutchinson Utilities, Ron Traeger, Allied adjuster for the League of Minnesota Cities, made an offer of \$7,500, which was turned down. Mr. Traeger made a new offer of \$10,000; no response has been received on the new offer.

General Manager Kadrmas presented electric underground status and schedule for converting overhead to underground. Vice President Lenz suggested putting this information in the Hutchinson Leader to inform the public.

Kelly Karg has been hired as administrative assistant; she will start on April 30, 2002.

Secretary Walser would like to attend a seminar on June 18, 2002; the cost of the seminar is \$225, to be reimbursed by the Hutchinson Utilities Commission. There were no objections to Secretary Walser attending the seminar.

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

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Donald H. Walser Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
May 29, 2002

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

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

Secretary Walser suggested some changes to the April 24, 2002 minutes. Secretary Walser made a motion to approve the minutes with the recommended corrections. Commissioner Gilmer seconded the motion and it passed unanimously.

Attorney Sebor received notification from Doug Wood on an easement that Hutchinson Utilities owns and holds in Anoka County. Commissioner Ackland made a motion to approve a partial release of easement of "PR" Line. Vice President Lenz seconded the motion and it passed unanimously.

Attorney Sebor informed the Commission the ordinance that would require excavation contractors acquire a license and be bonded was passed by the city council.

Attorney Sebor presented a letter from Dorsey & Whitney LLP in regards to the Hutchinson Utilities Commission Pipeline Project. Commissioner Ackland made a motion to deny permission to Dorsey & Whitney LLP to represent the landowners regarding the pipeline project. Secretary Walser seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to ratify the payment of bills in the amount of \$2,079,664.93 (detailed listing in payables book). Commissioner Ackland seconded the motion and it passed unanimously.

Rich Revering from Ulteig Engineers and Brent Reiner from R&R Excavating were welcomed to the meeting to discuss the McLeod Substation Site Work. After discussion, a motion was made by Secretary Walser to pay R&R Excavating \$15,877 and to withhold \$14,451 from contract amount (contract balance is \$30,328). Vice President Lenz seconded the motion and it passed unanimously. Mr. Reiner will discuss with his attorney and inform the Commission of his decision.

R&R Excavating arrears amount was discussed. Secretary Walser made a motion for Mr. Reiner to pay an amended arrears amount. Commissioner Ackland seconded the motion and it passed unanimously.

Commissioner Gilmer made a motion to Advertise for Bids for Hutchinson Substation Site Work and Concrete Foundations. Commissioner Ackland seconded the motion and it passed unanimously.

General Manager Kadrmas presented an Energy Conservation Program for fiscal 2002. Vice President Lenz made a motion to approve the Energy Conservation Program for fiscal 2002. Secretary Walser seconded the motion and it passed unanimously.

General Manager Kadrmas updated the Commission on the Hutchinson Substation.

General Manager Kadrmas and Business Manager Spethman updated the Commission on the natural gas pipeline.

General Manager Kadrmas updated the Commission on Unit #1.

President Wetterling appointed Kelly Karg as recording assistant secretary.

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

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
June 26, 2002

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

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

Secretary Walser suggested a change to the May 29, 2002 minutes. Secretary Walser made a motion to approve the minutes with the recommended correction. Commissioner Gilmer seconded the motion and it passed unanimously.

Wayne Kenning of Southview Terrace Apartments addressed the Commission on the landlord contract regarding customer disconnects.

Secretary Walser made a motion to ratify the payment of bills in the amount of \$1,447,316.11 (detailed listing in payables book). Commissioner Ackland seconded the motion and it passed unanimously.

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

Secretary Walser made a motion to award bid of Hutchinson Substation for Site Work and Concrete Foundations to Marcy Construction for \$123,281.00. Commissioner Ackland seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15941 to Camelot Metals Inc. for the galvanized steel structural for the Hutchinson Substation. Commissioner Gilmer seconded the motion and it passed unanimously.

Vice President Lenz made a motion to Advertise for Bids for Natural Gas Pipeline Material. Secretary Walser seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to Advertise for Bids for Construction of a Natural Gas Pipeline. Vice President Lenz seconded the motion and it passed unanimously.

General Manager Kadrmas updated the Commission on the Hutchinson Substation schedule.

General Manager Kadrmas updated the Commission on the Natural Gas Pipeline schedule.

General Manager Kadrmas updated the Commission on the recent electrical outages, both at 3M on the transformer failure, and the Monday night storm and flooding.

Commissioner Gilmer made a motion to rescind the settlement offer outlined in the May 29, 2002 minutes to R&R Excavating. Secretary Walser seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #15952 to Southern States/Electro Tech Inc. for the complete interrupter/driver assembly for Siemens type CPS-VB for unit replacement at the 3M Substation. Commissioner Gilmer seconded the motion and it passed unanimously.

Business Manager Patrick Spethman updated the Commission on the Energy Conservation plan.

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

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
July 31, 2002

Members present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Roger Gilmer; Commissioner Paul Ackland; and General Manager Clarence Kadrmas.

President Wetterling called the meeting to order at 3:05 p.m.

Mark Fimon and his dad, Roger Fimon, addressed the Commission on the late fee Mark was charged on his bill. He claims he dropped off his bill on June 29<sup>th</sup> at the payment center by the Post Office. The check did not post until July 17<sup>th</sup>. Secretary Walser made a motion to suspend the \$15 late fee as long as he is not late in the next 12 months. Vice President Lenz seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve the minutes of June 26, 2002. Commissioner Gilmer seconded the motion and it passed unanimously.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$1,952,418.58 (detailed listing in payables book). Commissioner Ackland 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.

General Manager Kadrmas updated the Commission on the 3M Substation.

Commissioner Gilmer made a motion to Advertise for Bids for 1000 MCM URD Conductor/Feeder #23. Secretary Walser seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve the catastrophic fund transfer of \$500,000 to cash account. Commissioner Ackland seconded the motion and it passed unanimously.

General Manager Kadrmas updated the Commission on the Hutchinson Substation schedule.

General Manager Kadrmas updated the Commission on the Natural Gas Pipeline schedule.

General Manager Kadrmas updated the Commission on the Translink.

General Manager Kadrmas informed the Commission on the Office of the State Auditor questioning Brooklyn Park expenditures.

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

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
August 21, 2002

Members present: President David Wetterling; Secretary Donald Walser; Commissioner Paul Ackland; General Manager Clarence Kadrmas; Business Manager Patrick Spethman; and Attorney Marc Sebor.

President Wetterling called the meeting to order at 3:05 p.m.

Secretary Walser made a motion to approve the minutes of July 31, 2002. Commissioner Ackland seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to ratify the payment of bills in the amount of \$2,042,049.09 (detailed listing 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 Ackland seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to approve the charge-off accounts. Secretary Walser seconded the motion and it passed unanimously.

Attorney Sebor informed the Commission on the League of Cities letter that supplied some guidelines for expenditures. Further discussion will be held at the Labor/Management Meeting in October.

Business Manager Spethman informed the Commission on the new Time Clock Plus hand scanner.

General Manager Kadrmas updated the Commission on the Hutchinson Substation schedule.

General Manager Kadrmas updated the Commission on the Natural Gas Pipeline schedule.

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

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
September 25, 2002

Members present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Paul Ackland; General Manager Clarence Kadrmas; Business Manager Patrick Spethman; Attorney Marc Sebora; and Mayor Marlin Torgerson.

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

Secretary Walser made a motion to approve the minutes of August 21, 2002. Commissioner Ackland seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to ratify the payment of bills in the amount of \$1,596,096.23 (detailed listing in payables book). Vice President Lenz seconded the motion and it passed unanimously.

Secretary Walser made a motion to nominate David Wetterling for the position of President. Vice President Lenz seconded the motion and it passed unanimously. Vice President Lenz made a motion that nominations cease. Commissioner Ackland seconded the motion and it passed unanimously. Commissioner Ackland made a motion to elect David Wetterling as President. Secretary Walser seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to nominate Craig Lenz for the position of Vice President. Secretary Walser seconded the motion and it passed unanimously. Secretary Walser made a motion that nominations cease and to elect Craig Lenz as Vice President. Commissioner Ackland seconded the motion and it passed unanimously.

President Wetterling appointed Donald Walser as Secretary.

President Wetterling appointed Marc Sebora as legal counsel.

President Wetterling appointed Kelly Karg as recording/assistant secretary.

President Wetterling appointed Vice President Lenz and General Manager Kadrmas to receive drug reports.

President Wetterling designated Citizens Bank and Trust Company; Wells Fargo; Americana National Bank; and UBS PaineWebber as depositories for Utility funds.

Commissioner Ackland made a motion to approve the financial statement and budget year-to-date and to amend the work orders as presented (copy attached). Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to award the feeder #23 conductor contract to WESCO in the amount of \$83,715. Secretary Walser seconded the motion and it passed unanimously.

John Webster, natural gas division manager for Hutchinson Utilities and Phil McLean, Natural Gas Consulting, reviewed the construction of natural gas pipeline bids and the natural gas pipeline and appurtenances bids. John Webster and Phil McLean will present their recommendations on the natural gas pipeline bids and the natural gas pipeline and appurtenances bids at a future meeting.

Mayor Torgerson informed the Commission a joint Hutchinson City Council/Hutchinson Utilities meeting will be held on Thursday, October 10, 2002, at noon.

General Manager Kadrmas updated the Commission on the Hutchinson substation schedule.

General Manager Kadrmas updated the Commission on the natural gas pipeline schedule.

General Manager Kadrmas and Business Manager Spethman updated the Commission on the Energy Star Appliance Conservation Program.

Business Manager Spethman updated the Commission on the payment drop boxes. The Commission asked Business Manager Spethman to notify customers that the payment drop boxes might be eliminated and the reasons for the possible elimination of the payment drop boxes (security, etc). Customers responses will be reviewed at a future meeting.

General Manager Kadrmas updated the Commission on TRANSLINK and the possible arrangements for the Commission as a member of TRANSLINK.

Attorney Seboria informed the Commission that the legal claim (little girl falling from tree) against Hutchinson Utilities was settled in the amount of \$19,500.

Attorney Seboria informed the Commission that he received a complaint from Brent Reiner of R & R Excavating in regard to the McLeod substation site work contract payment.

Vice President Lenz will attend the next Labor/Management meeting on Wednesday, October 2, 2002 at 8:30 a.m.

General Manager Kadrmas discussed a possible land purchase from Consolidated Freightways, who have filed bankruptcy. The Commission asked

General Manager Kadrmas to pursue this further and to report back to the Commission.

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

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
October 30, 2002

Members present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Paul Ackland; General Manager Clarence Kadrmas; Business Manager Patrick Spethman; and Mayor Marlin Torgerson.

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

Commissioner Ackland made a motion to approve the minutes of September 27, 2002. Vice President Lenz seconded the motion and it passed unanimously.

John Webster, natural gas division manager for Hutchinson Utilities, presented recommendations for the construction of natural gas pipeline bids and for the natural gas pipeline material bids. After discussion, Vice President Lenz made a motion to award bid for Natural Gas Pipeline material to International Pipe and Supply, contingent upon the approval of the Certificate of Need and the Environmental Quality Board's approval of routing permit. Secretary Walser seconded the motion and it passed unanimously. Secretary Walser made a motion to award bid for Construction of Natural Gas Pipeline to Jomax Construction, contingent upon the approval of the Certificate of Need and the Environmental Quality Board's approval of routing permit. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$1,607,168.44 (detailed listing in payables book). Secretary Walser seconded the motion and it passed unanimously.

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

Vice President Lenz made a motion to approve Requisition #16487 (for work order 10205) to Psychrometric System Inc. for additional repair needs beyond the original contract for the cooling tower. Commissioner Ackland seconded the motion and it passed unanimously.

Hutchinson Utilities' budget payment plan was discussed. Business Manager Spethman will present proposed changes to the budget payment plan policy at the next meeting.

General Manager Kadrmas updated the Commission on the Hutchinson substation.

General Manager Kadrmas informed the Commission that the initial work for the sale of the Blaine substation has been started.

General Manager Kadrmas updated the Commission on the natural gas pipeline project schedule.

General Manager Kadrmas notified the Commission on a proposal from Chesapeake for the purchase of our natural gas reserves. General Manager Kadrmas will present more information at the next meeting.

General Manager Kadrmas informed the Commission that Attorney Sebor will handle the R & R Excavating lawsuit for Hutchinson Utilities and for the City of Hutchinson.

Vice President Lenz and Business Manager Spethman updated the Commission on the October 2<sup>nd</sup> Labor Management meeting. Star Tribune newspaper subscription was discussed. After discussion, it was decided that Hutchinson Utilities would purchase one subscription to the Star Tribune (Monday-Friday) on a trial basis.

Vice President Lenz made a motion to close the meeting to discuss a personnel issue. Secretary Walser seconded the motion and it passed unanimously.

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

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
November 27, 2002

Members present: President David Wetterling; Vice President Lenz; Secretary Donald Walser; Commissioner Marlin Torgerson; General Manager Clarence Kadrmass; Business Manager Patrick Spethman; and Attorney Marc Sebor.

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

Secretary Walser made a motion to approve the minutes of October 30, 2002, with a change to paragraph 4 to remove the contingencies in the two motions for the natural gas pipeline. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to ratify the payment of bills in the amount of \$1,809,811.15 (detailed listing in payables book). Secretary Walser seconded the motion and it passed unanimously.

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

General Manager Kadrmass updated the Commission on the proposal from Chesapeake for the purchase of our natural gas reserves. After discussion, Vice President Lenz made a motion to agree and accept Chesapeake's proposal for Hutchinson Utilities' natural gas and oil wells. Secretary Walser seconded the motion and it passed unanimously.

The disposition of the Blaine substation and 230 KV line to Great River Energy was discussed. Attorney Sebor will create draft of documents to sell the Blaine substation and 230 KV line to Great River Energy; these documents will then be sent to Great River Energy to review. The sale of the land will need to be approved by the Hutchinson City Council at the council's December 10, 2002 meeting. Commissioner Torgerson made a motion to authorize the sale of the Blaine substation and 230 KV line to Great River Energy and to transfer easements. Vice President Lenz seconded the motion and it passed unanimously.

The preliminary budget for year 2003 was reviewed.

Vice President Lenz made a motion to approve the charge-off accounts. Secretary Walser seconded the motion and it passed unanimously.

General Manager Kadrmass updated the Commission on the Hutchinson substation.

General Manager Kadrmas updated the Commission on the natural gas pipeline project. The Public Utilities Commission has approved the certificate of need; the Environmental Quality Board has to grant the routing permit.

Business Manager Spethman reviewed the residential budget payment process proposal.

Commissioner Torgerson made a motion to change the December meeting date to December 30, 2002. Secretary Walser seconded the motion and it passed unanimously.

Secretary Walser will attend the next Labor/Management meeting on Wednesday, December 4, 2002 at 8:30 a.m.

Attorney Sebora informed the Commission that Mayor Marlin Torgerson was appointed as the new Utilities commissioner for a 14-month period. Attorney Sebora suggested the Commission have its reorganization meeting in January rather than in September. No action was taken at this time.

There being no further business, Vice President Lenz made a motion to adjourn the meeting. Secretary Walser seconded the motion and it passed unanimously.

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Special Meeting  
December 23, 2002

Members present: President David Wetterling; Vice President Craig Lenz; Secretary Donald Walser; Commissioner Marlin Torgerson; and Attorney Marc Sebora.

President Wetterling called the meeting to order at 8:30 a.m.

General Manager Kadrmas has submitted his resignation as Hutchinson Utilities general manager, effective December 31, 2002. Vice President Lenz made a motion to accept General Manager Clarence Kadrmas' resignation. Secretary Walser seconded the motion and it passed unanimously.

Discussed appointing an interim general manager to serve on a temporary basis until a permanent general manager is hired. Commissioner Torgerson made a motion to appoint Business Manager Patrick Spethman as interim general manager of Hutchinson Utilities. Vice President Lenz seconded the motion and it passed unanimously.

President Wetterling will talk with General Manager Kadrmas to see what consultation services he would be willing to provide and the cost for his services (any work done by Clarence Kadrmas after December 31, 2002, would be as a consultant and not as an employee of Hutchinson Utilities).

Each commissioner will write what qualifications he would like for the general manager's position and also a plan of action to move forward. These will be reviewed and discussed at the December 30, 2002 commission meeting.

The Commissioners would like input from the Hutchinson Utilities' division managers and electrical engineer. President Wetterling will notify the above individuals.

Commissioner Torgerson made a motion to adjourn the meeting. Vice President Lenz seconded the motion and it passed unanimously.

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President

Regular Meeting  
December 30, 2002

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

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

Commissioner Torgerson made a motion to approve the minutes of November 27, 2002. Vice President Lenz seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve the minutes for the December 23, 2002 special meeting. Commissioner Torgerson seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to ratify the payment of bills in the amount of \$1,782,813.33 (detailed listing in payables book). Secretary Walser seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to approve the financial statements and budget year-to-date. Commissioner Torgerson seconded the motion and it passed unanimously.

Commissioner Ackland made a motion to transfer \$750,000 from the catastrophic failure fund to the cash in bank account. Vice President Lenz seconded the motion and it passed unanimously.

The Commission reviewed the Hutchinson Tree Board report for the year 2002. Vice President Lenz made a motion to approve \$30,000 to the Hutchinson Tree Board for the year 2003 Energy Conservation Program. Secretary Walser seconded the motion and it passed unanimously.

After discussion, Commissioner Torgerson made a motion to approve the year 2003 budget. Vice President Lenz seconded the motion and it passed unanimously.

Secretary Walser made a motion to approve Requisition #16843 to Stewart Energy Systems Inc. for installation of stack extensions on plant #1 engines. Commissioner Ackland seconded the motion and it passed unanimously.

Vice President Lenz made a motion to approve Requisition #16847 to Schweitzer c/o Pro Tech Power Sales for relays for 69KV breaker panels for the Hutchinson substation. Commissioner Torgerson seconded the motion and it passed unanimously.

General Manager Kadrmas updated the Commission on the natural gas pipeline project.

The Commission reviewed Clarence Kadrmas' proposal for consulting services.

Commissioner Torgerson made a motion to adjourn the meeting. Secretary Walser seconded the motion and it passed unanimously.

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Donald H. Walser, Secretary

ATTEST \_\_\_\_\_  
David J. Wetterling, President