

Regular Meeting

January 28, 2009

Members present: President Donald H. Walser; Vice President David Wetterling; Secretary Dwight Bordson; Commissioner Robert Hantge; General Manager Michael Kumm

Members absent: Commissioner Craig Lenz; Attorney Marc Sebor

Present Walser called the meeting to order at 3:00 p.m.

President Walser called for the commissioner reorganization. David Wetterling nominated Dwight Bordson for the position of president. A motion was made by Robert Hantge, seconded by David Wetterling to close nominations and elect Dwight Bordson as president. Motion was unanimously carried.

Dwight Bordson nominated Robert Hantge for the position of vice president. A motion was made by David Wetterling, seconded by Dwight Bordson to elect Robert Hantge as vice president. Motion was unanimously carried.

Dwight Bordson appointed David Wetterling as secretary.

Dwight Bordson appointed Marc Sebor as legal counsel.

Dwight Bordson appointed Lin Madson as recording secretary.

A motion was made by Vice President Wetterling, seconded by Secretary Bordson to designate Wells Fargo as depository for utility funds. Motion was unanimously carried.

The minutes of the December 30, 2008 regular meeting were reviewed. A motion was made by Vice President Wetterling, seconded by Commissioner Hantge to approve the minutes as written. Motion was unanimously carried.

GM Kumm presented the December 2008 payables. After discussion, a motion was made by Commissioner Hantge, seconded by Secretary Bordson to ratify the payment of bills in the amount of \$4,006,325.87 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the December 2008 financial statements/budget year-to-date. After discussion, a motion was made by Secretary Wetterling, seconded by Commissioner Hantge to approve the December 2008 financial statements/budget year-to-date. Motion was unanimously carried.

The agreement for professional services with Power System Engineering, Inc. for Advanced Metering Infrastructure Services (tabled from December 30, 2008 regular

meeting) was presented. Two changes were made to the terms and conditions. Risk Allocation section: The consultants' liability shall not exceed \$150,000. Ownership of Documents section: Shall remain the property of Hutchinson Utilities Commission. A motion was made by Vice President Wetterling, seconded by Secretary Bordson to approve the changes to the agreement for professional services with Power System Engineering, Inc. for Advanced Metering Infrastructure Services (tabled from December 30, 2008 regular meeting). Motion was unanimously carried.

GM Kumm presented changes to policies and requirements booklet, section: Errors In Billing. A motion was made by Secretary Bordson, seconded by Commissioner Hantge to approve the changes to policies and requirements booklet, section: Errors In Billing. Motion was unanimously carried. (See attached.)

GM Kumm presented the policy on Inserts With Utility Bills. This policy needs to be rescinded, changed, and added to the policies and requirements booklet. After discussion, a motion was made by Commissioner Hantge, seconded by Secretary Bordson to rescind the policy on inserts with utility bills that was adopted January 22, 1987, and adopt new policy on inserts with utility bills, recommended by staff, and add it to the policies and requirements booklet. Motion was unanimously carried. (See attached.)

GM Kumm discussed the level of authority on purchasing limits. The State of Minnesota has increased the amount of formal bids from \$15,000 to \$25,000 and we need to change our policy on purchasing to reflect that change. After discussion it was decided to include our credit card policy on next month's agenda. After further discussion, a motion was made by Secretary Bordson, seconded by Vice President Wetterling to approve the changes to our policy on purchasing. Motion was unanimously carried. (See attached.)

Discussion was held regarding the agenda that HUC compiled for the joint HUC/City meeting to be held on Thursday, January 29, 2009 at 4:00 at the Event Center. GM Kumm discussed the handouts that were included in the packets for the joint meeting which include: electric and natural gas rate comparisons; electric reliability indices; President Obama's New Energy for America; HUC's integrated resource plan-electric; time diversity model-natural gas; rate stability-fuel/power cost adjustment; and payment in lieu of taxes that he'll discuss at the joint meeting. As of today, we have not heard from City if they have any agenda items to discuss.

Steve Lancaster presented requisition #003356 for pad mounted transformers from RESCO. These are inventory for projects in 2009. After discussion, a motion was made by Vice President Wetterling, seconded by Secretary Bordson to approve requisition #003356 for pad mounted transformers from RESCO for \$52,680.23. Motion was unanimously carried. (See attached.)

Steve Lancaster presented requisition #003377 for 22,500' conductor from Border States. This is inventory for the conversion projects in 2009. After discussion, a motion

was made by Commissioner Hantge, seconded by Secretary Bordson to approve requisition #003377 for 22,500' conductor from Border States for \$27,916.31. Motion was unanimously carried. (See attached.)

Steve Lancaster presented requisition #003384 for cooling tower fan blade replacement at plant 2 from Cooling Tower Contractors. The blades have become unbalanced over time and this maintenance needs to be completed for the cooling towers to function properly. After discussion, a motion was made by Vice President Wetterling, seconded by Secretary Bordson to approve requisition #003384 for cooling tower fan blade replacement at plant 2 from Cooling Tower Contractors for \$22,162. Motion was unanimously carried. (See attached.)

February's 2009 regular commission meeting was rescheduled. GM Kumm will be attending the 2009 APPA legislative rally in Washington, D.C., and will not be able to attend the February regular commission meeting. After discussion, it was decided to reschedule the February regular commission meeting on Monday, March 2, 2009 at 3:00 p.m.

Division reports

Electric – Steve Lancaster

- The MMUA diesel generation workshop has been cancelled.

Gas – John Webster

- Handed out the 2008 3rd party damage report – 3 hits

Business – none

GM Kumm reported that our contracted meter reader has indicated she no longer wants to read meters. We'll wait for the official written notice from her, then in 90 days the contract will expire.

Legal Update

GM Kumm reported that our attorneys Larkin & Hoffman reached a settlement agreement with the EQB for \$150,000 to be used for future soil de-compaction. We extended that agreement to December of 2008. If there were any funds left over, they were to be spent on a study for soil compaction. The attorneys from SibRenFair feel they should receive those left over funds. Our attorneys Mr. VanCleve and Mr. Sebora have drafted a letter with a copy of the agreement and have sent the letter to the attorneys for SibRenFair.

Unfinished Business

Amend motion to the Medica Contract, Article 2, Section 2.1: Term and Renewal: Jan Sifferath did ask for the requested change from 30 days to 60 days for notification of any modifications to these contracts, but the request for the change was denied. Therefore, the motion does not need to be amended.

Territory agreement and state law

We will work with Glencoe and reach an agreement.

New Business

Electric reliability indices

We are 10-20 times more reliable than the investor owned utilities. (See attached.)

Electric rate comparison

Comparison between 2007 and 2008 residential billing. (See attached.)

Natural gas rate comparison

Comparison between 2007 and 2008 residential, commercial and industrial billing. (See attached.)

There being no further business, a motion was made by Vice President Wetterling, seconded by Commissioner Hantge to adjourn the meeting at 4:48 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Special Meeting

February 5, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

Member absent: Commissioner Craig Lenz

President Bordson called the meeting to order at 4:00 p.m.

GM Kumm asked for approval to terminate the Independent Contractor Agreement with Annemarie Dammann, by advice of Counsel, without cause, due to problems in accordance with the meter reading schedule. Issues have arisen in preparing for billing in that the meter readings were not being turned in according to schedule. Our cycle 3 billing is now seven to ten days longer than the schedule allows for.

GM Kumm explained that if complaints come in because of high electric and gas bills, it's a result of cold weather and the longer reading dates.

GM Kumm has talked with City and arrangements have been made to ensure the water meters are read. HUC personnel will read the electric and gas meters in order for cycles 4 and 5 to be billed according to schedule.

Letters have been drafted, reviewed by Attorney Sebor, terminating the contract with payment according to the terms of the contract. After further discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling to terminate the Independent Contractor Agreement with Annemarie Dammann on the basis of the letter that has been drafted. Motion was unanimously carried.

GM Kumm discussed the need to hire a meter technician. This position would help read meters as well as being involved with the automated meter reading software that will be implemented in the future.

GM Kumm presented a temporary restructured organizational chart. HUC has an employee out on a family medical leave and the burden of that absence has prevented GM Kumm from performing his own work. With this temporary restructured organizational chart, the business manager would be in charge of the account supervisor and the meter reading responsibilities as well as the computer systems analyst and the energy conservation administrator. The accountant position would be in charge of the inventory agent and the purchasing agent.

There being no further business, a motion was made by Vice President Hantge, seconded by Secretary Wetterling to adjourn the meeting at 4:25 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

March 2, 2009
(February's Meeting)

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm.

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

The minutes of the January 28, 2009 regular meeting were reviewed. A motion was made by Commissioner Walser, seconded by Secretary Wetterling, to approve the minutes as written. Motion was unanimously carried.

The minutes of the February 5, 2009 special meeting were reviewed. A motion was made by Secretary Wetterling, seconded by Vice President Hantge, to approve the minutes as written. Motion was unanimously carried.

GM Kumm presented the January 2009 payables. After discussion, a motion was made by Commissioner Lenz, seconded by Vice President Hantge to ratify the payment of bills in the amount of \$4,327,363.65 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the January 2009 financial statements/budget year-to-date. After discussion, a motion was made by Secretary Wetterling, seconded by Commissioner Walser to approve the January 2009 financial statements/budget year-to-date. Motion was unanimously carried.

A motion was made by Secretary Wetterling, seconded by Commissioner Lenz to amend a motion made at the January 28, 2009 regular meeting for the depository of utility funds to include Citizens Bank & Trust and Home State Bank as depositories for utility funds. Motion was unanimously carried.

GM Kumm presented changes to the credit card policy. Language has been added to make it clearer and company purchases has been increased from \$1,000 to \$2,000. After discussion, a motion was made by Secretary Wetterling, seconded by Vice President Hantge to approve the changes to the credit card policy. Motion was unanimously carried. (Policy attached.)

GM Kumm presented the HUC identity theft prevention policy. The "Red Flag Program" has been developed in an attempt to prevent identity theft and will be maintained and administered by the Business Manager. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the HUC identity theft prevention policy to be part of the policies and requirements booklet. Motion was unanimously carried. (Policy attached.)

Steve Lancaster, Director Electric Division, presented the bid tabulation for directional drilling contractor for 2009 – 2010. Every two years we go out for bids for the construction season. After discussion, a motion was made by Commissioner Walser, seconded by Commissioner Lenz to approve the bid tabulation for directional drilling contractor for 2009 – 2010 from Steile Construction. Motion was unanimously carried. (Bid tabulation attached.)

Our annual breakfast meeting is scheduled for March 31, 2009. To comply with open meeting laws, we need to approve this breakfast meeting as an open meeting. A motion was made by Commissioner Lenz, seconded by Vice President Hantge to approve the March 31, 2009 breakfast meeting as an open meeting. Motion was unanimously carried. (Invitation/letter attached.)

John Webster, Director Natural Gas Division, presented requisition #003399 for 16,000' of pipe. This pipe is for the new developments for this construction season. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling, to approve requisition #003399 for 16,000' of pipe from Forrer Supply. Motion was unanimously carried. (Requisition attached.)

John Webster presented requisition #003448 for a 2007 Ditch Witch trencher. This is a budgeted item to replace a 1992 Case Maxi-Sneaker. It is a 2007 model with only 1 ½ hours of use on it and is used for installing smaller service lines. A motion was made by Vice President Hantge, seconded by Secretary Wetterling to approve requisition #003448 for 2007 Ditch Witch trencher from Ditch Witch of MN. Motion was unanimously carried. (Requisition attached.)

GM Kumm reported on his trip to Washington, DC for the 2009 MMUA Legislative Rally. He met an organization that develops plasma arc and HUC might have an interest in having them do a basic analysis for us. They extended an invitation for us to tour their plants.

Division reports

Gas – John Webster

- Damage prevention meeting scheduled for March 19, 2009
- CAER meeting scheduled for mid March
- Had a carbon monoxide call on Mark Drive with levels in the high range – shut the gas off and evacuated the home. Plumbers were called to repair furnace and unplug the chimney. Advised home owner to purchase another new CO detector.
- Consulting with AMI on bidding procedures for the infrastructure system

Electric – Steve Lancaster

- Planning for the 2009 conversions
- Working on downtown project
- Working with City on Hackbarth property

Business - None

Legal Update

Hospital - moratorium for bids in building new nursing home

Unfinished Business

None

New Business

- Vice President Hantge asked about our reliability study compared to other cities
- GM Kumm plans to meet with PILOT committee

There being no further business, a motion was made by Vice President Hantge, seconded by Commission Lenz to adjourn the meeting at 4:05 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

March 25, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm.

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

The minutes of the March 2, 2009 regular meeting were reviewed. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to approve the minutes as written. Motion was unanimously carried.

Paul Harvego of Conway, Deuth & Schmiesing, PLLP was welcomed to the meeting. Mr. Harvego presented HUC's financial audit for 2008. There were no issues that arose in conducting the audit. He thanked Jared Martig for his knowledge of accounting practices and he thanked Jan Sifferath and GM Kumm for their cooperation. The board expressed their gratitude to GM Kumm, Jan and Jared for their time and efforts in ensuring a successful audit. After discussion, a motion was made by Secretary Wetterling, seconded by Commissioner Lenz to approve the financial audit for 2008. Motion was unanimously carried.

GM Kumm presented the February 2009 payables. After discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling to ratify the payment of bills in the amount of \$4,091,264.30 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the February 2009 financial statements/budget year-to-date. Sales are down due mainly to HTI and 3M shutting down on weekends. After discussion, a motion was made by Vice President Hantge, seconded by Secretary Wetterling to approve the February 2009 financial statements/budget year-to-date. Motion was unanimously carried.

GM Kumm presented resolution 153. The resolution calls out specifically that Bev Popp has authority to transfer funds by wire or other electronic means as needed. Our recommendation is to change it to HUC's Accountant has authority to transfer funds by wire or other electronic means as needed. A motion was made by Commissioner Lenz, seconded by Vice President Hantge to amend resolution 153 as recommended. Motion was unanimously carried. (Resolution 153 attached.)

GM Kumm presented policy on payments of HUC payables. Our auditors have asked us to create a policy authorizing HUC's accountant to issue warrant(s) drawn from proper funds for making payments. This policy will be reviewed annually in December. A motion was made by Commissioner Lenz, seconded by Commissioner Walser to

approve policy on payments of HUC payables. Motion was unanimously carried. (Policy attached.)

GM Kumm discussed HUC's temporary organizational chart. Instead of hiring a metering technician, we will hire a groundsman whose duties and responsibilities would entail working with both metering department as well as the electric division. This position has been on HUC's roster in the past. The position has been posted internally. (Temporary organizational chart attached.)

GM Kumm discussed the 3.3 acre lot in the new industrial park. The Economic Development Board has contacted HUC to see if there is an interest in HUC buying this lot as its usefulness from an economic development perspective is limited because of the alignment of the high pressure gas pipeline across the property. GM Kumm recommended forming a committee to meet with Miles Seppelt, Economic Development Director and discuss the purchase of this property. President Bordson appointed himself, GM Kumm, and Dave Wetterling to this committee. After discussion, a motion was made by Commissioner Walser, seconded by Commissioner Lenz to give this committee the authority to investigate the purchase of said property and to bring the findings back to the board for discussion. Motion was unanimously carried. (Map is attached.)

GM Kumm explained that HUC no longer has any mercury vapor security lighting; they have been eliminated from our system. Our recommendation is to remove that section from the rate schedule. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to remove the section on mercury vapor security light rental from our rate schedule. Motion was unanimously carried. (Changes attached.)

GM Kumm presented changes to the policies and requirements booklet, section: Cold Weather Rule. Our recommendation is to eliminate the current section on cold weather rule and replace it with the 2008 Minnesota Statute 216B.097 Cold Weather Rule. A motion was made by Vice President Hantge, seconded by Secretary Wetterling to approve the changes and additions to the policies and requirements booklet, section: Cold Weather Rule. Motion was unanimously carried. (Changes and additions attached.)

John Webster presented an advertisement for bids for automated metering infrastructure. Our consultants are preparing the specifications and an ad has been placed in the Hutchinson Leader announcing an open house for suppliers to demonstrate their AMI systems. Several vendors have signed up. A motion was made by Commissioner Lenz, seconded by Commissioner Walser to approve advertisement for bids for automated metering infrastructure. Motion was unanimously carried. (Advertisement for bids attached.)

John Webster presented requisition #003445 for coiled pipe straightener with trailer from Groebner and Associates, Inc. This piece of equipment will save about \$8,000 just in fusion time and we could rent it out to other utilities that don't have this equipment.

After discussion, a motion was made by Vice President Hantge, seconded by Secretary Wetterling to approve requisition #003445 for coiled pipe straightener with trailer from Groebner and Associates, Inc. for \$42,557.40. Motion was unanimously carried. (Requisition attached.)

Division reports

- Arbor Day Foundation
HUC has been named a Tree Line USA Utility for the second year in recognition of caring for trees. This will also be mentioned in the Wall Street Journal. The Arbor Day Foundation provided a media release which we will send to the Hutchinson Leader for publication.

GM Kumm gave an overview of what he and staff foresee as for a 5-year capital expenditure report. A more detailed printed report will be provided at a later time.

GM Kumm will contact HDR to see if they can give a presentation at next Commission meeting and talk about our expansion plans.

GM Kumm will provide an update on the comp time issue.

Gas – John Webster

- March 18th – CAER meeting for McLeod County
- March 19th – Damage Prevention Meeting
- March 20th – CAER meeting in New Ulm

Electric – Steve Lancaster

- City Council approved variance for signs at the power plant
- HUC and Glencoe Utilities are working with MMUA and the LMCIT to develop an Operation and Maintenance pilot plan that will be made available to other utilities when completed.

Accounting – Jared Martig

- We're about three weeks from pouring the concrete at the new inventory site.

Business – Jan Sifferath

- Working on aged accounts receivable; we may see more write-offs because we're catching up on things that have been overlooked.
- Because of meter reading issues, the billing in March was long, resulting in February being short; we are now back on track.
- The in-house meter reading is going very well; everyone is doing a good job.

Legal Update

None

Unfinished Business

None

New Business

Renewable Energy Seminar:

Someone will attend the workshop on April 2 and report back to the board at the April meeting.

There being no further business, a motion was made by Commissioner Lenz, seconded by Vice President Hantge to adjourn the meeting at 5:08 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

April 29, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm.

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

The minutes of the March 25, 2009 regular meeting were reviewed. A motion was made by Vice President Hantge, seconded by Secretary Wetterling, to approve the minutes as written. Motion was unanimously carried.

GM Kumm gave an overview of plans to install an 8 megawatt natural gas generator as outlined in the 5-year plan. The 8 megawatt natural gas generator would be more flexible and efficient than the operations of the current units. At this time Kirk Dunbar, Environmental Engineer for HDR Engineering Inc was welcomed to the meeting. Mr. Dunbar is working with HUC on the permitting process of installing the 8 megawatt natural gas generator. He explained that the Minnesota Pollution Control Agency would look very favorably with the removal of HUC's old diesel generator units, with the installation of a new natural gas generator. GM Kumm will develop a business plan with scenarios showing the effect on gas pricing. HUC will keep the board informed with any decisions by staff as this is a deviation from the original five-year plan.

GM Kumm presented the March 2009 payables. After discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling to ratify the payment of bills in the amount of \$4,071,748.10 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the March 2009 financial statements/budget year-to-date. GM Kumm provided a handout and explained the load duration curve and he talked about the base load contract and the effect it has on our revenue because of the weekend shutdowns of HTI and 3M; on weekends we are selling into the market at a loss, however, this is offset by lower market prices during the week when our load is greater. After discussion, a motion was made by Commissioner Lenz, seconded by Vice President Hantge to approve the March 2009 financial statements/budget year-to-date. Motion was unanimously carried.

GM Kumm reported on the renewable energy workshop sponsored by the Southwest Initiative Foundation. Discussions at the workshop included wind and anaerobic digestion.

GM Kumm presented the changes/additions to the policies and requirements booklet:

- Delete section: Disconnection of Services by Utilities

This is a continuation of the policy review schedule. Staff recommends deleting this section and adding a better explanation of when we can and cannot disconnect residential services; and when we can and cannot disconnect commercial services. A motion was made by Secretary Wetterling, seconded by Commissioner Walser to approve the deletion of section: Disconnection of Services by Utilities. Motion was unanimously carried.

- Add section: Disconnection of Residential Services by Utilities
- Add section: Disconnection of Commercial Services by Utilities
- Add section: Landlord Acknowledgement
- Add section: Inaccessible Utility Equipment/Meters

Staff recommends adding the above sections to the policies and requirements booklet. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to approve the additions to the policies and requirements booklet. Motion was unanimously carried. (Policies attached.)

GM Kumm presented the Winter Payment and Disconnect Policy from November 24, 1986. Staff recommends rescinding this policy as HUC has adopted the Minnesota Cold Weather Rule Statute as policy in the Policies and Requirements Booklet as of March 25, 2009. A motion was made by Secretary Wetterling, seconded by Commissioner Walser to rescind Winter Payment and Disconnect Policy from November 24, 1986. Motion was unanimously carried. (Policy attached.)

GM Kumm presented changes to the electric large general service code 40 and 41. There was no definition in the rate schedule as to when a customer would move from the electric large general service to the electric small general service; and there was no definition when a customer would move from the electric small general service to the electric large general service. A motion was made by Secretary Wetterling, seconded by Vice President Hantge to approve changes to the electric large general services code 40 and 41. Motion was unanimously carried. Because the agenda did not call out changes to the electric small general service code 30, a motion was made by Secretary Wetterling, seconded by Commissioner Lenz to approve changes to the electric small general service code 30. Motion was unanimously carried. (Rate code 30, and rate code 40 & 41 attached.)

Jan Sifferath presented the write-offs. We have several accounts that were never cleared off the books that should have been. At the end of the year there will be another substantial list that should have been cleared off. After discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the write-offs (detailed listing on page 2,735 of April general journal). Motion was unanimously carried.

John Webster presented requisition #003497 for John Deere 110 compact 4WD tractor loader and backhoe from RDO Equipment. This is a budgeted item and replaces our small skid loader. We will keep the old skid loader for use at the power plant and we will sell the trailer. After discussion, a motion was made by Vice President Hantge,

seconded by Commissioner Lenz to approve requisition #003497 for John Deere 100 compact 4WD tractor loader and backhoe from RDO Equipment for \$39,395.50. Motion was unanimously carried. (Requisition attached.)

Division reports

Business – Jan Sifferath

- May 12, 2009 Jon Guthmiller will give a presentation on energy efficiency at the Crow River Country Club for the Hutchinson Area Chamber of Commerce.
- Cleaning up accounts in rate code 40 and 41 that should be in rate code 30

Electric – Steve Lancaster

- Completed interviews for the position of groundsperson.
- Distributed specifications for the downtown power plant project.
- Working on underground conversions.
- Working on AMI.

Gas – John Webster

- Pipeline Safety audit this week.
- AMI vendor presentations provided us with good prospects – working on specifications.
- Working with City on a grant for stimulus money.

Payroll – Jared Martig

- Attending Rate Making course next week.
- Inventory building might be done the end of May.

GM Kumm reported:

- Johanna Beckman will be hired for the summer to do a 75-100 page history piece on HUC.
- Big Stone II decision was postponed until September.
- Met with MMGA – that decision has been extended to June 1st.
- Meeting with McLeod Coop on April 30, 2009 on the territory issues.
- MRES has completed an agreement with a supplier on wind energy – meeting May 6, 2009, HUC will be working with MRES on acquiring some of the wind energy.

Legal Update

- City is reviewing their flu preparation in light of the Swine Flu outbreak.
- A data practices request has been received to view e-mails going to Council Members.

Unfinished Business

None

New Business

Discuss 5-year Capital Expenditure:

GM Kumm distributed handouts outlining HUC's 5-year capital expenditure with the addition of land purchase and alternative energy.

There being no further business, a motion was made by Vice President Hantge, seconded by Secretary Wetterling to adjourn the meeting at 5:03 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Robert Hantge, Vice President

Regular Meeting

May 27, 2009

Members present: Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

Member absent: President Dwight Bordson

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

The minutes of the April 29, 2009 regular meeting were reviewed. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the minutes as written. Motion was unanimously carried.

The April 2009 payables were discussed. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to ratify the payment of bills in the amount of \$3,460,273.33 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the April 2009 financial statements/budget year-to-date. After discussion, a motion was made by Secretary Wetterling, seconded by Commissioner Walser to approve the April 2009 financial statements/budget year-to-date. Motion was unanimously carried.

GM Kumm presented an old policy from November 24, 1986: Policy for Contractors, Developments and Individual Lots. This policy needs to be rescinded as it has already been amended and is included in the policies and requirements booklet. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to rescind Policy for Contractors: Developments and Individual Lots, of November 24, 1986. Motion was unanimously carried. (Policy attached.)

GM Kumm presented changes to the policies and requirements booklet, electric section:

- Electric Service Requirements and Charges
- Temporary Service
- Electric Meter Requirements

After discussion, a motion was made by Commissioner Lenz, seconded by Commissioner Walser to approve the changes to the policies and requirements booklet. Motion was unanimously carried. (Changes attached.)

GM Kumm discussed the workshop, hosted by MMUA, on Federal Stimulus held in Chicago. There are several grants available for energy renewable programs and it is our recommendation to focus on the 'Smart Grid' program. We have contacted HDR to assist us in writing the grants and submitting them. This grant could help fund our metering infrastructure project as well as other projects. (Summary attached.)

GM Kumm discussed the legal fees on the formation of MMGA. This agreement is our share of the attorney's fees incurred during the formation of MMGA. MMGA will repay HUC when funds are available. (Agreement attached.)

In the advent that HUC might be eligible for grants through the Federal stimulus program, we rescinded the advertisement for bids for automated metering infrastructure that was approved March 25, 2009. Attorney Sebor explained the procedure necessary to rescind the advertisement for bids. A notice has been placed in the Hutchinson Leader newspaper notifying potential bidders that the solicitation of bids for automated metering infrastructure has been rescinded. After discussion a motion was made by Commissioner Lenz, seconded by Commissioner Walser to ratify rescission of the advertisement for bids for automated metering infrastructure that was approved March 25, 2009. Motion was unanimously carried. (Notices and ad attached.)

GM Kumm presented an advertisement for bids for automated metering infrastructure, with the date for opening of bids to be determined at a later time. Because HUC may be eligible for grants through the Federal stimulus programs, we will determine the date of bid opening when we know our eligibility for grants. A motion was by Commissioner Walser, seconded by Secretary Wetterling to approve the advertisement for bids for automated metering infrastructure. Motion was unanimously carried. (Advertisement for bids attached.)

Steve Lancaster presented requisition numbers #003564 and #003567 for Power Plant Improvements Phase 1A for Masonry and Landscaping from All Seasons Landscape and Design. After discussion, a motion was made by Commissioner Lenz, seconded by Secretary Wetterling to approve both requisition numbers #003564 and #003567 for Power Plant Improvements Phase 1A Masonry and Landscaping from All Seasons Landscape and Design for a total of \$94,797.75. Motion was unanimously carried. (Requisitions attached.)

Requisition #003568 for 2009 Chevrolet Silverado 4x4 was pulled from the agenda.

Division reports

Gas – John Webster

- Presented requisition #003573 for installation of approximately 520' of 6" steel from Northern Pipeline Construction Co. This will eliminate a 50 lb. loop line that is under an expansion of the old Floor Care building on California Street Northwest. The new installation will make it a safer line. After discussion, a motion was made by Commissioner Lenz, seconded by Commissioner Walser to approve requisition #003573 for installation of approximately 520' of 6" steel from Northern Pipeline Construction Company for \$48,978.10. Motion was unanimously carried. (Requisition attached.)
- Performed testing of regulators for the Fire Marshall
- Completed 1000' of gas main extension on Jefferson Street - seven customers with eight to nine meters

Electric – Steve Lancaster

- New groundsperson started last week
- Working on conversion project
- Will be placing HUC logo on the downtown power plant

Business – Jan Sifferath

- Johanna Beckman hired to do a 'history piece' on HUC
- Cleaning up customer accounts
- Working on training for Version 3 of the upgraded billing system
- There still are funds available in the CIP program, especially on the commercial side

Payroll – Jared Martig

- Working on pouring concrete at the new inventory site
- Moving racks into the building
- Attended Rate Making Class – good information

Commissioner Walser mentioned that he attended the “Energy Efficiencies for Hutchinson Businesses” presentation by Jon Guthmiller, sponsored by the Hutchinson Area Chamber of Commerce at the Crow River Golf Club. He commended Jon on his knowledge of energy efficiency and commented that HUC should continue its efforts in providing information on energy efficiency.

GM Kumm mentioned that he has a meeting next week with the Coop on the territory issue.

Legal Update
None

Unfinished Business
None

New Business
None

There being no further business, a motion was made by Commissioner Walser, seconded by Commissioner Lenz to adjourn the meeting at 4:05 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Robert Hantge, Vice President

Regular Meeting

June 24, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

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

The minutes of the May 27, 2009 regular meeting were reviewed. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the minutes as written. Motion was unanimously carried.

The May 2009 payables were discussed. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to ratify the payment of bills in the amount of \$2,843,621.62 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the May 2009 financial statements/budget year-to-date. After discussion, a motion was made by Secretary Wetterling, seconded by Vice President Hantge to approve the May 2009 financial statements/budget year-to-date. Motion was unanimously carried.

Discussion was held regarding CMMPA baseload agreement. An agreement is being updated and several alternatives are being taken into consideration. When the pricing is firm we will have an agreement.

GM Kumm presented changes to policy on disposal of surplus property. This is the on-going review of policy updates. After discussion a motion was made by Commissioner Walser, seconded by Commissioner Lenz to approve the changes to policy on disposal of surplus property. Motion was unanimously carried.

GM Kumm presented changes to policies and requirements booklet, electric sections: electric meter replacement; sealing of meters; meter testing. This also is the on-going review of policy updates. After discussion a motion was made by Commissioner Lenz, seconded by Commissioner Walser to approve the changes to the policies and requirements booklet. Motion was unanimously carried.

GM Kumm reported on the following:

- We are still analyzing wind generation
- An issue has arisen within the union personnel not wanting to do gas work outside the city limits of Hutchinson. A meeting will be scheduled with the union stewards and the business agent to settle this issue.
- Working on territory negotiations
- Working on the funding opportunity for AMI

- Will work with MMUA to try and change legislation at next legislative session regarding monies left over from the CIP grant program. HUC wants to give excess funds to Heartland Community Action Agency to help Hutchinson residential customers who qualify, to pay their utility bills.

Division reports

Electric – Steve Lancaster

- We've been generating quite a lot because of the heat
- Will start phase 2 on the downtown power plant project

Gas – John Webster

- Assisted with reading meters
- Working on natural gas line on Airport Road – then will go to Otter Street – then Judson Woods
- Installed 57 new services outside city limits – 6 new services within city limits
- Ohly Americas has contacted us wanting information on transportation of natural gas, and information on transportation and commodity
- US Energy has contacted us wanting information on transportation rates

Vice President Hantge commended the service crew when carbon monoxide alarms were going off on his property. They were very knowledgeable, courteous, and professional when responding to their call.

Legal Update

None

Unfinished Business

None

New Business

None

There being no further business, a motion was made by Commissioner Lenz, seconded by Vice President Hantge to adjourn the meeting at 4:00 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

July 29, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

President Bordson called the meeting to order at 3:00 p.m. and welcomed Hutchinson resident Arle Schlecht to the meeting.

Mr. Schlecht is a trustee of the Congregational Church at 31 First Avenue Southwest in Hutchinson. He raised some issues with a bill the church received as a result of retiring a gas line to a house that was purchased by the church and ultimately demolished. After discussion it was decided that GM Kumm would investigate the billing and contact Mr. Schlecht to resolve the issue.

The minutes of June 24, 2009 regular meeting were discussed. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the minutes as written. Motion was unanimously carried.

Tom Kloss, Director of Information Technology for the City of Hutchinson, was welcomed to the meeting. Mr. Kloss gave a presentation on Voice Over IP being implemented to replace the existing NU-Telecom telephone system. This new system will be managed by the City's own private network, will be maintained by the IT department and it will pay for itself in three years. This also was a part of the budget for 2009.

Johanna Beckman, historian for HUC was welcomed to the meeting. Ms. Beckman gave a presentation on the 'History of the Hutchinson Municipal Utilities' from 1936 to the 1960's; with the remaining years to be completed as she continues her research. (Presentation attached.)

The June 2009 payables were discussed. A motion was made by Commissioner Lenz, seconded by Vice President Hantge to ratify the payment of bills in the amount of \$3,124,522.80 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the June 2009 financial statements/budget year-to-date. After discussion, a motion was made by Vice President Hantge, seconded by Commissioner Lenz to approve the financial statements/budget year-to-date. Motion was unanimously carried.

GM Kumm presented the confirmation agreement with NSP. This baseload agreement has already been authorized and signed; we need it ratified at this meeting. After discussion a motion was made by Secretary Wetterling, seconded by Commissioner

Lenz to ratify the confirmation agreement with NSP. Motion was unanimously carried. (Agreement attached.)

GM Kumm is attending the MMUA 77th Annual Summer Meeting at Breezy Point, Minnesota August 23rd through the 26th. The regular Commission meeting on August 26, 2009 will need to be changed. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to reschedule the August 26, 2009 regular commission meeting to Monday, August 31, 2009 at 3:00 p.m. Motion was unanimously carried.

GM Kumm presented an old tree trimming policy to be rescinded. This is the on-going review of policies and this particular one is already a part of the policies and requirements booklet on the electric side. A motion was made by Commissioner Lenz, seconded by Commissioner Walser to rescind the old tree trimming policy. Motion was unanimously carried. (Policy attached.)

GM Kumm presented changes and deletion to the policies and requirements booklet, electric side: terminating electric service by customer; right-of-way clearing; tree removal; and locating customer's underground utilities. After discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling, to approve the changes and deletions to the policies and requirements booklet, electric side. Motion was unanimously carried. (Policy attached.)

The changes to the policies and requirements booklet, general section: terminating electric/natural gas services by customer was tabled. This will come back to the board at the August meeting with more clarity.

At this time Donald H. Walser left the meeting: 4:18 p.m.

Division reports

Electric – Steve Lancaster

- All Season's Landscape and Design cannot finish the job at plant 1. We are looking at other alternatives for the landscape and masonry projects.
- AMI project should be completed by the end of next week.

Gas – John Webster

- Presented advertisement for bids for Automated Metering Infrastructure to be amended. The following language has been changed to read: "No Bidder may withdraw this Bid for a Period of ninety (90) days after date of opening of Bids." It previously read thirty (30) days. After discussion, a motion was made by Commissioner Lenz, seconded by Vice President Hantge to approve the amended advertisement for bids per the staff's recommendation. Motion was unanimously carried. (Advertisement for bids attached.)
- Employees went to Perham, MN to assist that utility using our pipe straightening trailer.

- Installing new gas line to Judson Woods
- Installed new service to the High School because of issues with their pressure.
- Will be attending an operations conference in Ames, IA next week.
- Will talk to Hutch Manufacturing about their load demands on their new building.

Accounting – Jared Martig

- Finished up the punch list for the new inventory control building – replaced concrete – fixed brick veneer – caulking around doors – checking codes on the railing

Business – Jan Sifferath

- Started the soft parallel on V3 upgrade (billing upgrade)
- Will begin training on the new ITRON handhelds
- Need to revise our application for employment – can no longer ask about criminal background on the application form.
- Looking into a Revenue Recovery Program to assist us in collections

Legal Update

None

Unfinished Business

None

New Business

None

There being no further business, a motion was made by Vice President Hantge, seconded by Secretary Wetterling to adjourn the meeting at 4:45 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

August 31, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Donald H. Walser; General Manager Michael Kumm

Members absent: Commission Craig Lenz and Attorney Marc Sebor

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

GM Kumm reported that he had resolved the issues with Hutchinson resident Mr. Arle Schlecht regarding a bill resulting from the demolition of a house that was purchased by the Congregational Church. Procedures are now in place to include the demolition permits, and the process of any related billing fees, at the 'one-stop shop' meetings with City.

GM Kumm also reported that the AMI grant has been submitted and the opening of bids is scheduled for September 23, 2009; full occupancy agreement finalized with the new inventory building and Jason Sturges has moved into his new office; new ITRON handhelds will be used next month with HUC separating itself from City meter reading at that time.

The minutes of the July 29, 2009 regular meeting were reviewed. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the minutes as written. Motion was unanimously carried.

The July 2009 payables were discussed. A motion was made by Secretary Wetterling, seconded by Vice President Hantge to ratify the payment of bills in the amount of \$2,838,018.04 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the July 2009 financial statements/budget year-to-date. After discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the financial statements/budget year-to-date. Motion was unanimously carried.

GM Kumm presented the changes to the policies and requirements booklet, general section: terminating electric/natural gas service by customer (tabled from July 29, 2009 regular meeting). Discussion was held to change the wording for better clarity. After further discussion a motion was made by Vice President Hantge, seconded by Commissioner Walser to approve the changes to the policies and requirements booklet, general section: terminating electric/natural gas service by customer, to include the recommended changes in wording. Motion was unanimously carried. (Before and after changes attached.)

GM Kumm presented the changes to the policies and requirements booklet, gas sections: terminating natural gas service by customer, and natural gas meter requirements and placement. He pointed out an additional change that did not appear in the handout. The Board recommended additional wording for better clarity. After discussion a motion was made by Vice President Hantge, seconded by Secretary Wetterling to approve the changes to the policies and requirements booklet, gas sections: terminating natural gas service by customer, and natural gas meter requirements and placement, with the two additional changes. Motion was unanimously carried. (Policy attached.)

Steve Lancaster presented requisition #003694 for masonry work at downtown power plant from 4 Seasons Landscape & Lawncare. This has been rebid because the original business has closed. We will do the masonry work now and go out for quotes on the landscape portion of the project at a later date. After discussion a motion was made by Secretary Wetterling, seconded by Commissioner Walser to approve requisition #003694 for masonry work at the downtown power plant from 4 Seasons Landscape & Lawncare for \$79,649.10. Motion was unanimously carried. (Requisition attached.)

GM Kumm presented the changes to the parallel generation policy. This is a part of the on-going policy review. The PUC has changed the kilowatts from 20 to 40, so our policy now reflects that change. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the changes to our parallel generation policy. Motion was unanimously carried. (Policy attached.)

Jan Sifferath discussed the Revenue Recapture Program. This is an on-line program through the state of Minnesota where we can collect payment on delinquent accounts through a customer's income tax and property tax refunds. Jan will write up a procedure for this collections process and she will track the collections. (Minnesota Revenue Fact Sheet attached.)

GM Kumm reported on the following:

- John Webster has been appointed to serve on the Codes and Standards Committee for the Midwest Energy Association
- Dave Hunstad has been appointed to the Board of Directors for Gopher State One-Call
- Mike has been appointed President Elect on the MMUA Board

Division reports

Gas – John Webster

- Working on the distribution of gas to Airport Road
- Working on the design of gas distribution to Hutch Manufacturing's new building
- New Industrial Park project will have gas on September 8
- AMI questions are being answered
- Ryan Ellenson will be at the State Fair with the Gopher State One-call booth

- All mains are installed at Judson Woods
- Working on a gas line valve from North High Drive to Judson Woods

Electric – Steve Lancaster

- All wire will be installed by the end of the week for the conversion project

Accounting – Jared Martig

- Jason Sturges has moved his office into the new inventory building – Roberta Yates will move in later
- Issues with the stairs have been resolved
- Working on some caulking issues

Business – Jan Sifferath

- Cold Weather brochures to go out in the September billing statements
- Will be attending a customer service seminar in Savannah, Georgia sponsored by APPA
- Open House is scheduled for October 8, 2009 from 4:00 p.m. to 7:00 p.m.
- Checking into trying to sell our powerstat readers

Legal update – none

Unfinished Business

Would like to see the power point presentation on the history of Hutchinson on HUC's web site.

New Business

A card of congratulations to be sent to Miles Sepelt for his work obtaining the grant on the Industrial Park.

Compliments received from residents on the appearance of the downtown power plant and on the appearance of the new inventory building.

There being no further business, a motion was made by Commissioner Walser, seconded by Vice President Hantge to adjourn the meeting at 3:57 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

September 30, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

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

The minutes of the August 31, 2009 regular meeting were reviewed. A motion was made by Vice President Hantge, seconded by Commissioner Walser to approve the minutes as written. Motion was unanimously carried.

Ray Wahle and Jeff Peters of Missouri River Energy Services were welcomed to the meeting. They gave an update on the Big Stone II Project. All permits and certificate of need have been completed. With the recent pulling out of Otter Tail Power, along with the pulling out of two other utilities, we do face challenges with this project. MRES is continuing to talk with other investors and will work toward keeping this project on track. MRES will file before December 1st when it will be determined who the added investors will be. After further discussion the board thanked MRES for the valuable work they're doing and continuing to do so that Big Stone II Project will come to fruition.

At this time Vice President Robert Hantge left the meeting – 4:03 p.m.

The August 2009 payables were discussed. After discussion, a motion was made by Secretary Wetterling, seconded by Commissioner Lenz to ratify the payment of bills in the amount of \$2,797,854.77 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the August 2009 financial statements/budget year-to-date. After discussion, a motion was made by Commissioner Lenz, seconded by Secretary Wetterling to approve the financial statements/budget year-to-date. Motion was unanimously carried.

Discussion was held on comp time issue. This was brought to the board's attention in December when the hours accumulated had reached a significant number of hours. At that time arrangements were made with the affected employees and the number of hours has been reduced and is now manageable.

John Webster discussed the AMI bid tabulation. The bid tabulation has been forwarded to our consultants for further evaluation. The awarding of the bid will occur sometime in December, after the Smart Metering Grant has been announced. (Bid tab attached.)

GM Kumm presented the 2009-2010 safety management program contract. This is our annual MMUA Safety Management Program. After discussion a motion was made by

Commissioner Walser, seconded by Secretary Wetterling to approve the 2009-2010 safety management program contract. Motion was unanimously carried. (Contract attached.)

John Webster presented the changes to the policies and requirements booklet, gas side, sections: Natural Gas Service Requirements and Charges; Temporary Service; and Sealing of Meters. After discussion it was decided to table the changes and add additional language for gas line pressure testing outside the city limits.

Steve Lancaster presented requisition #003722 for two air compressors replacement system for plant #2 from John Henry Foster. Our current air compressor is a 1994 unit, it runs 24/7 365 days a year and it just went down. We have repaired it but it will eventually fail. After discussion, a motion was made by Commissioner Lenz, seconded by Secretary Wetterling to approve requisition #003722 for two air compressors replacement system for plant #2 from John Henry Foster for \$29,326.80. Motion was unanimously carried. (Requisition attached.)

Division reports

Electric – Steve Lancaster

- Boiler and machinery inspection this past week – went well
- Working on the landscaping at Plant 1
- Conversions are complete
- Working on 2010 budget

Accounting – Jared Martig

- High School senior is shadowing about an hour a day
- Jason Sturges and Roberta Yates have moved into the new inventory building
- All gas inventory is in and most of the electric is in
- Will give tours during the open house

Gas – John Webster

- Natural gas to Judson Woods is complete
- Sent letter of interest for gas service along highway 15 south
- Getting ready for the open house

Business – Jan Sifferath

- There will be about a 12.6% increase in the premiums for health insurance – more information to follow – meeting scheduled with Rich Westlund

Legal update – none

Unfinished Business

GM Kumm has talked with Miles Sepelt and has some dates for the committee to meet regarding the Industrial Park.

New Business

GM Kumm asked for authorization to approve a purchase order to Utilities Plus Energy Services not to exceed \$27,300 to write transformer specifications to replace the transformer at plant 1; and to authorize a call for bids with the bid to be awarded at the November meeting. There is a four to six month lead time for this transformer. After discussion, a motion was made by Commissioner Lenz, seconded by Secretary Wetterling to authorize GM Kumm to enter into a contract with Utilities Plus Energy Services not to exceed \$27,300 and to call for bids for a power transformer. Motion was unanimously carried.

There being no further business, a motion was made by Commissioner Lenz, seconded by Secretary Wetterling to adjourn the meeting at 5:02 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Regular Meeting

October 28, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm.

Members absent: Secretary David Wetterling; Commissioner Craig Lenz

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

The minutes of the September 30, 2009 regular meeting were reviewed. A motion was made by Vice President Hantge, seconded by Commissioner Walser to approve the minutes as written. Motion was unanimously carried.

The September 2009 payables were discussed. After discussion, a motion was made by Commissioner Walser, seconded by Vice President Hantge to ratify the payment of bills in the amount of \$3,185,106.57 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the September 2009 financial statements/budget year-to-date. After discussion, a motion was made by Vice President Hantge, seconded by Commissioner Walser to approve the financial statements/budget year-to-date. Motion was unanimously carried.

GM Kumm presented the changes to the policies and requirements booklet, gas side, sections: natural gas service requirements and charges; temporary service; and sealing of meters. These changes were tabled from September 30, 2009 regular meeting after a recommendation of new wording to the section for natural gas service requirements and charges to include pressure testing of all new natural gas consumer owned fuel lines. John Webster is meeting with City officials to adopt a procedure for these inspections. After discussion, a motion was made by Commissioner Walser, seconded by Vice President Hantge to approve the changes to policies and requirements booklet, gas sections. Motion was unanimously carried. (Policy attached.)

GM Kumm presented changes to roadway and destination lighting operation and maintenance policy. After discussion a motion was made by Vice President Hantge, seconded by Commissioner Walser to approve changes to the roadway and destination lighting operation and maintenance policy with a recommended change to a grammatical error in the 'repairs' section. Motion was unanimously carried. (Amended policy attached.)

John Webster presented the changes to the pandemic flu plan. Discussion was held regarding our current sick leave policy and if it calls out key positions or critical employees in case of a quarantine situation and how jobs that are vital can be

completed. After discussion a motion was made by Commissioner Walser, seconded by Vice President Hantge to approve the changes to the pandemic flu plan with the recommendation of a change to one sentence and to bring the sick leave policy to the board for discussion next month. Motion was unanimously carried. (Revised Pandemic flu plan attached.)

Steve Lancaster presented requisition #003735 for 25,000' 1/0 conductor from Border States. This is inventory for 2010. A motion was made by Commissioner Walser, seconded by Vice President Hantge to approve requisition #003735 for 25,000' 1/0 conductor from Border States for \$37,450. Motion was unanimously carried. (Requisition #003735 attached.)

Steve Lancaster presented requisition #003736 for 10,000' 500 MCM conductor from Border States. This is inventory for 2010 also. A motion was made by Vice President Hantge, seconded by Commissioner Walser to approve requisition #003736 for 10,000' 500 MCM conductor from Border States for \$32,930. Motion was unanimously carried. (Requisition #003736 attached.)

Discussion was held for rescheduling November's regular meeting. November's regular meeting will stay as it is: November 25 at 3:00 p.m. Discussion was held for rescheduling December's regular meeting. A motion was made by Commissioner Walser, seconded by Vice President Hantge to rescheduled December's regular meeting for January 4, 2010 at 3:00 p.m. Motion was unanimously carried.

Discussion was held to schedule a special meeting for the 2010 budget approval. After discussion a motion was made by Vice President Hantge, seconded by Commissioner Walser to schedule a special meeting for budget approval on December 16, 2009 at 3:00 p.m. Motion was unanimously carried.

Division reports

Electric – Steve Lancaster

- Last month authorization was given to advertise a call for bids for plant 1 transformer. The ad has been written and it now needs a signature.

Gas – John Webster

- AMI consultants will be here in December to review what they have analyzed.
- Making arrangements to talk with other utilities using automatic metering systems.

Legal Update – none

GM Kumm reported on the following:

- Updated the organizational chart
- Started doing the remodeling to the outside of our facility – getting quotes for the inside work

- New job descriptions have been drafted – 2 internal postings were up and we have conducted interviews – will make a decision early next week
- Jared Martig and Jan Sifferath started their new positions October 19, 2009.
- We were not selected to receive any grant money for AMI; we will proceed with it and use CIP money.
- Had an MMGA board meeting on October 26, 2009; prepay might happen next year; will not be purchasing any wells, not enough interest; MMGA through MMUA redrafted legislation and it was amended.

Unfinished Business

- Land Purchase Energy Industrial Park:
The committee met and with Miles Seppelt and an offer was made that if we purchase anything it would be the land only and we would not use their infrastructure. Miles will go back to his board with this information; but he emphasized that another group is interested in the land. The committee is still working on this.
- Territory:
Met with the Coop and negotiations are moving slowly. We will set up another meeting to try to get this resolved.
- Vice President Hantge asked about the requisition for a new truck that was pulled from the agenda in May. Staff has been reviewing their needs of when to replace trucks and the useful life of transportation trucks versus construction trucks. It's too late to replace the construction truck in question because the state bids have not come out yet; but consideration was given to buying construction trucks in the spring as has been done in the past and keeping transportation trucks longer.

New Business

- Cenntennial Land Company:
HUC owns one-half acre of mineral rights in Oklahoma City. In 2002 we sold everything to Chesapeake but this was somehow overlooked and Chesapeake does not want it now. We will maintain our rights to it and receive compensation quarterly. Cenntennial Land Company will send out the paper work on this.

There being no further business, a motion was made by Vice President Hantge, seconded by Commissioner Walser to adjourn the meeting at 4:38 p.m. Motion was unanimously carried.

Robert Hantge, Vice President

ATTEST: _____
Dwight Bordson, President

Regular Meeting

November 25, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Craig Lenz; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

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

The minutes of the October 28, 2009 regular meeting were reviewed. A motion was made by Commissioner Walser, seconded by Vice President Hantge to approve the minutes as written. Motion was unanimously carried.

The October 2009 payables were discussed. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to ratify the payment of bills in the amount of \$2,718,097.58 (detailed listing in payables book). Motion was unanimously carried.

GM Kumm presented the October 2009 financial statements/budget year-to-date. After discussion, a motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the financial statements/budget year-to-date. Motion was unanimously carried.

President Bordson discussed the Governor's salary cap. There is a lobbying group leveraging with MMUA to discuss the dollar limit on salaries. President Bordson made a motion, seconded by Secretary Wetterling to establish a sub-committee to work with MMUA and the lobbying group to explore our options and to report back with the recommendations from that group. Motion was unanimously carried. Commissioner Lenz made a motion, seconded by Commissioner Walser to appoint Robert Hantge to work with MMUA and the lobbying group to improve laws to meet our goals. Motion was unanimously carried.

President Bordson discussed GM Kumm's annual review. Congratulatory comments and praises were given for a job well done. A motion was made by President Bordson, seconded by Vice President Hantge to approve the annual review with a 6% salary increase and to increase car allowance to \$750 a month. Motion was unanimously carried.

GM Kumm presented the preliminary 2010 budget. After discussion GM Kumm said he will have the final draft next week. He will be in his office if any Commissioner has any further questions or need additional explanation of any items in the 2010 budget.

GM Kumm discussed the sick leave policy from the exempt employee handbook. At last month's meeting a discussion was held as to whether or not an employee could work from home in case of sickness in the family or employee themselves. Past practice, GM Kumm has turned down this request as there is no way to monitor the work being done

at home. He asked to continue the way we're doing it; if employee or family member is sick, just stay home. However, in reviewing our current sick leave policy, we want to put it in the same format as the labor contract, making it easier to read and understand. We will bring it back to the board for approval.

John Webster presented changes to the policies and requirements booklet, gas side, sections: Meter Testing; Natural Gas Service Work and; Locating Customer's Underground Utilities. These are the last sections to the booklet for review. There is no change to these sections operationally, just a clean-up in wording. A motion was made by Secretary Wetterling, seconded by Vice President Hantge to approve the changes to the policies and requirements booklet, gas side, sections: Meter Testing; Natural Gas Service Work and; Locating Customer's Underground Utilities. Motion was unanimously carried. (Policies attached.)

GM Kumm presented the items of agreement regarding territory negotiations. HUC, Glencoe Utilities and McLeod Coop Boards have all agreed on a contract. Our attorneys will review the contract and we should have it next week. GM Kumm asked for authorization to sign the contract pending the attorney's review. A motion was made by Commissioner Lenz, seconded by Secretary Wetterling to grant GM Kumm authorization to sign the contract pending the attorney's review. Motion was unanimously carried. (Items of Agreement attached.)

HUC's recognition/holiday party has been scheduled for December 18, 2009. A motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the recognition/holiday party on December 18, 2009 as an open meeting. Motion was unanimously carried.

Discussion was held for the date of the HUC/City joint meeting. After discussion it was decided to hold the HUC/City joint meeting on January 27, 2010 at 4:30 p.m. to be held at the Event Center, following HUC's regularly scheduled monthly meeting on the same date at 3:00 p.m. GM Kumm will put together an agenda for the joint meeting.

Division reports

Accounting – Jared Martig

- Safety committee completed a walk-thru of the new inventory building
- Construction crew will be starting the office remodeling
- Trane Heating is offering a new software for our heating system

Gas – John Webster

- Next week will be visiting a city that is using the AMI system – going with Steve Lancaster and Tom Kloss
- Will be asking for the AMI bid approval at the special meeting on December 16th
- Working with a customer on natural gas marketing firm transportation on our system

Business – Jan Sifferath

- Jennifer Tramp accepted the position of accountant and Teri Hofmeister accepted the position of account supervisor
- Have received over 400 applications for the two open positions of account coordinator
- Dental insurance for 2010 has increased 5%; health insurance for 2010 has increased 10.5% for both plans (HSA and the 300-15 plan)

Legal Update

City Council has appointed Paul Nordin to the HUC Commission Board replacing out-going Commissioner David Wetterling.

Unfinished Business

None

New Business

None

There being no further business, a motion was made by Secretary Wetterling, seconded by Commissioner Lenz to adjourn the meeting at 4:50 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President

Special Meeting

December 16, 2009

Members present: President Dwight Bordson; Vice President Robert Hantge; Secretary David Wetterling; Commissioner Donald H. Walser; Attorney Marc Sebor; General Manager Michael Kumm

Member absent: Commissioner Craig Lenz

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

GM Kumm presented the 2010 Budget. After discussion a motion was made by Secretary Wetterling, seconded by Vice President Hantge to approve the 2010 Budget as presented. Motion was unanimously carried.

Steve Lancaster presented the bid tabulation for the plant 1 transformer. After discussion a motion was made by Secretary Wetterling, seconded by Commissioner Walser to approve the bid tabulation for plant 1 transformer from ABB and Kuhlman. Motion was unanimously carried.

John Webster presented the bid tabulation for automated metering infrastructure. After discussion a motion was made by Commissioner Walser, seconded by Secretary Wetterling to approve the bid tabulation and authorized staff to prepare a contract agreement with Sensus – HD Supply Waterworks. Motion was unanimously carried.

Unfinished Business

GM Kumm met with Senator Dille and Representative Shimanski regarding changing legislation for the CIP funding by using some of the CIP funding to help low income residents pay their utility bills.

New Business

GM Kumm presented spreadsheets as it relates to transportation charges for Hutchinson Technology Inc. A meeting has been scheduled with HUC, HTI and HTI's supplier U.S. Energy Services, Inc. An agreement will be prepared, reviewed and will be presented to the Board for approval.

There being no further business, a motion was made by Vice President Hantge, seconded by Secretary Wetterling to adjourn the meeting at 4:12 p.m. Motion was unanimously carried.

David Wetterling, Secretary

ATTEST: _____
Dwight Bordson, President