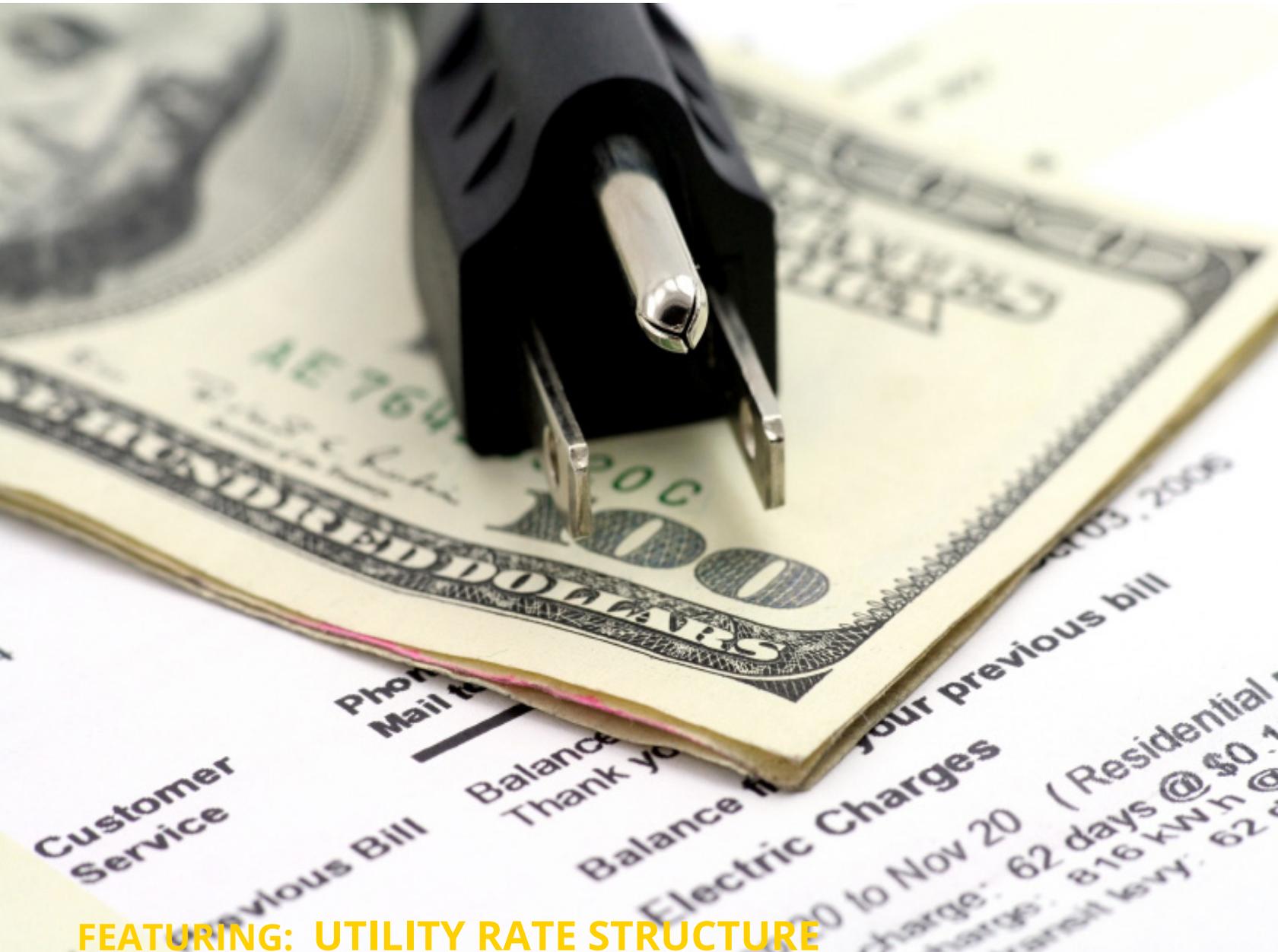




OWATONNA
PUBLIC UTILITIES

VOLUME 27 | ISSUE #7

CUSTOMER UPDATE



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WWW.OWATONNAUTILITIES.COM

OPU MEMO



Roger Warehime,
Director, Field Operations

OPU Commission

Mr. Kim Cosens
Mr. Dale E. Simon
Mr. Matt Kottke
Mr. Kent Rossi
Mr. Randy Doyal

When touting the benefits of public power, we often speak about our higher reliability and lower rates due to being non-profit as well as our responsiveness to our customers' expectations due to local control. But what do we really mean by local control?

At OPU it means that we are governed by a board of five citizens known as the Commission. We have five commissioners, one from each ward in the city. They are appointed by the mayor and confirmed by the city council. Their term is five years and they may serve two consecutive terms.

The Commission meets the fourth Tuesday of each month at 4:00 PM in the OPU Morehouse Conference Room in our main office. These meetings are open to the public and the meeting minutes are published and available on our website.

Our success depends upon many factors, not least of which is an effective governing board. Our Commission is indirectly responsible, but ultimately accountable, for the results we obtain and how those results are accomplished. Our Commission provides strategic direction and oversight, and delegates responsibility for day to day operation through the issuance of policies.

I'm proud to say that our staff and our Commission have a collaborative and productive working relationship based on trust and accountability. Each understands its separate and distinctive role in assuring the success of our utility.

While our commissioners each bring a great deal of individual expertise to the position based on their experience (business, accounting, finance, law, etc.) they are effective because they focus mostly on governance and their fiduciary responsibilities rather than the day to day operations of the utility. They fully understand they are the trustees of our organization and they consider the impact of all stakeholders when making decisions that affect both the short-term and long-term success of our utility.

On behalf of our staff, the city, and our customers I thank our commissioners for their dedicated service and leadership!



L to R: Randy Doyal, Kim Cosens, Kent Rossi, Matt Kottke, Dale Simon

CONSERVATION TIP\$

Save water this summer by watering your yard at the right time of day. Run your sprinkler or irrigation system in the morning before the heat of the day. Sprinkling during the middle of the day wastes more water to evaporation causing you to use more. You can also limit excess evaporation by avoiding sprinkling when it's windy.

Go to www.tinyurl.com/OPU-Tips for more conservation tips.



Owatonna's Seventh Annual Owatonna Weekend Out

Friday July 14th Activities:

- Camp out at Brown Park. Camp set up at 6:00 pm followed by a bonfire, s'mores, yard games, a bounce house and more. All campers receive their own designated plot to camp on. Breakfast in the pavilion at 7:30 AM. Pre-register through the Park and Rec. FREE event
- Don't want to camp? Bring your chair or blanket and enjoy a movie at Brown Park as we show The Great Outdoors (rated PG). Papa Murphy's and Kona Ice will be there selling concessions. Movie begins at sunset. FREE event
- Owatonna tennis pro Kelly Baker is hosting a free tennis event for youth at Brown Park starting at 7:00. Please pre-register for the event at the Park and Rec Office by July 12th.

Saturday July 15th Activities:

- Come down to Central part from 8:00am – 12:00pm to learn about PoP-the Power of Produce. Steele County Public Health will have games and different educational tables available.
- Let your child's inner speed demon out with the Diaper Dash, Toddler Trot, and Kids K Trail Runs at Dartt's Park. The Diaper Dash is a 10 foot crawling 24 mo and younger. The Toddler Trot is a 400-meter run for ages 2-5. The Kids K is for ages 4-12 and is a 1 K (.62 mile) trail run. Races begin at 9:00 and you can register in the park that morning.
- Join us as we roll out our Rec-on-the-Go and introduce the Recreation Rollerz. From 11:00am – 1:00pm at Manthey Park we will have different games, arts, crafts, and other group activities. We are planning a giant slip n' slide kickball game (intended for youths aged 7-12). Please pre-register by July 12th.
- Compete in a race across Owatonna's Park and Recreation facilities. Call the Park and Rec office (444-4321) to register your team. Event begins at 3:00 at Central Park. Race to different locations to complete five challenges with your team (groups of 1-5) for the chance to win some great prizes.
- Fowling (football/bowling) at Sparetime Entertainment promises to be a great time for those adults who are 21+. Sign up to play that day.

Sunday July 16th Activities

- Reduced rates at Brooktree and River Springs Water Park means you can spend Sunday Funday with the entire family.

2017 Dates to Remember:

- July 8: Ken Bey Football Tournament at Brooktree Golf Course
- July 10: Junior golf Begins at Brooktree Golf Course
- July 12: Daddy (or Mommy) & me Parent & Child golf at Brooktree!-444-2467 for details
- July 14: Owatonna's Weekend Out Begins
- July 15: Wine, Women & golf at Brooktree
- July 15: Music on the patio at Brooktree
- July 16: Bloodies and Birdies at Brooktree
- July 19: Daddy (or Mommy) & me Parent & child golf at Brooktree!
- July 26: Wine, Women & Golf
- July 28: Two..Four...FUN! Brooktree Golf Course Special-444-2467 for details
- July 30: Mother's Day special at River Springs Water Park
- August 4: Music on the Patio at Brooktree
- August 7: Farm Camp Minnesota
- August 11: Movie in the Park at Central Park
- August 19: Music on the Patio at Brooktree
- August 20: Last day at River Springs Water Park
- August 26: Celebrate National dog Day at Lake Chase dog Park
- ONGOING: Calendar contest submission through October 2017
- ONGOING: Sunday Family Funday at Brooktree Golf Course
- ONGOING: Rockin' Around Owatonna
- ONGOING: Miles Away Monday at Brooktree Golf Course
- ONGOING: Happy Hour at Master's Bar & Grille!

MAYOR

Tom Kuntz

COUNCIL MEMBERS

David Burbank

Nathan Dotson

Jeff Okerberg

Kevin Raney

Greg Schultz

Brent Svenby

Doug Voss



UTILITY RATES

Electricity prices generally reflect the cost to build, finance, maintain, and operate power plants and the electricity grid (the complex system of power transmission and distribution lines).

Several key factors influence the price of electricity:

- **Fuels:** Fuel costs can vary, depending on the per-unit cost of the fuel, such as dollars per ton for coal or thousand cubic feet for natural gas. Power plants generally use electricity generators with relatively high fuel costs during periods of high demand.
- **Power plants:** Each power plant has construction, maintenance, and operating costs.
- **Transmission and distribution system:** The electricity transmission and distribution systems that deliver electricity have maintenance costs, which include repairing damage to the systems from accidents or extreme weather conditions.
- **Weather conditions:** Rain and snow provide water for low-cost hydropower generation. Wind can provide low-cost electricity generation from wind turbines when wind speeds are favorable. However, extreme temperatures can increase the demand for electricity, especially for cooling, and demand can drive prices up.
- **Regulations:** In some states, Public Service/Utility Commissions fully regulate prices, while other states have a combination of unregulated prices (for generators) and regulated prices (for transmission and distribution).

These factors effect what a utility must collect from customers to cover the costs of maintaining their system as well as purchasing and providing reliable electricity. How a utility chooses to structure rates to cover those costs is another story.

How would you like to pay a fixed charge of \$69 per month for your electric service, even if you used no electricity that month? Further, imagine this is \$59 more than the \$10 you are used to paying.

That was the proposal put forth by one investor-owned electric utility in its latest rate increase proposal. Ultimately, the state regulatory body approved an increase to \$19 per month. This situation isn't unique. Fixed monthly meter charges are increasing nationwide, much more dramatically than any other component of the typical rate structure.

What is causing the change?

Historically, typical residential electric rates have had two primary components: a meter or service charge that is fixed and a usage charge that varies according to energy consumption during a given period. When the rates were designed, the fixed service charge recovered metering, billing, administration, and some miscellaneous costs, while the usage charge recovered the cost of the electricity generated/purchased and most of the cost of delivering the electricity to the customer. Delivery costs were recovered in the variable usage rate, under the assumption that those customers who used more electricity required more facilities to deliver it.

Recently, there has been a shift of the cost of delivering power from the usage rate to the fixed charge. Proponents of the change cite the relatively fixed nature of delivery facilities as a basis for the adjustment. The issue has been amplified by customers who invest in alternative electricity supply facilities, only using the traditional electric delivery grid when their alternative supply is not available. Under the current rate structure, because these customers purchase less electricity, they also pay less for the relatively fixed cost of delivery facilities. Opponents of the shift argue that the fixed rate increase will slow development of alternative energy supplies because the money saved by investing in them will not outweigh the costs incurred by the fixed charge rate hike.

Information for this article was taken from the US Energy Information Administration and Baker Tilly.

- https://www.eia.gov/energyexplained/index.cfm?page=electricity_factors_affecting_prices
- <http://bakertilly.com/insights/whats-going-on-with-electric-utility-monthly-fixed-charges/>

EQUIPMENT SERIES



Customers often ask us, “There’s a green box on my lawn — what is it and what does it do?”

Those green boxes (pad-mount transformers), and the metal cans (pole-mount transformers) you see on utility poles, hold equipment that lowers electric

voltage so it can be used in your homes and businesses.

OPU uses about 735 pad-mount transformers and 1,700 pole-mounted transformers to deliver electricity to roughly 12,000 homes and businesses across Owatonna. Each “box” or “can” is able to serve between four and 12 homes. They cost between \$600 and \$2,000 each and they can last as long as 60 years.

If they serve the same purpose, what determines whether a “box” or a “can” will be placed in your neighborhood? It depends on whether your neighborhood is served by overhead lines or underground ones.

Older neighborhoods in Owatonna are served by overhead power lines, utility poles and pole-mounted transformers. But pole-mounted transformers, because they’re exposed to the weather, squirrels and trees, are more vulnerable to power outages.

To reduce the chance of power outages, OPU is placing more of its power lines underground. That means in the future, you will be seeing more pad-mounted transformers (green boxes), and fewer pole-mounted transformers (cans).

OPU HIGHLIGHT



Kim Cosens,
OPU Commissioner

Kim Cosens joined the OPU commission in 2009 and is currently our longest serving commissioner. For the past 15 years Kim has been a financial advisor for Edward Jones. Prior to joining Edward Jones, he was a high school band director.

Kim has found many ways to foster his love of music. He is the founder, board chair, and festival director for the Wenger Marching Band Festival. He founded and plays in the Southern Minnesota Real Big Band which just celebrated its 20th year. He plays piano for the Rotary Club each week. He judges marching band contests throughout the country and serves as a consultant for high school and college marching bands.

Kim and his wife, Shelly, have been married for 36 years. They have three children and just welcomed their seventh grandchild into the family.

As one of five commissioners, Kim shares the responsibility of governing the organization to make sure it is meeting the needs of the community in a cost-effective manner while making sure it is financially stable for the long haul.

A few of the most notable accomplishments during Kim’s tenure are the repurposing of the power plant building, establishing and obtaining financial reserves for financial stability, and the hiring of our current general manager.

Thank you, Kim, for your leadership!

ENERGY HERO



Help save the community from higher energy costs by becoming an Energy Hero. You have the power to help your community keep power costs under control.

Over half of the wholesale power bill paid by OPU is “demand” charges determined by the highest peak usage

of the previous summer. OPU’s annual peak has a huge impact on costs for the entire year. If every customer helps reduce the load by just one kilowatt during a high usage time, the entire community benefits with lower energy costs.

Sign up to be an Energy Hero and receive Peak Alert notifications to your email! Visit OwatonnaUtilities.com to get signed up today.



CALL BEFORE YOU DIG

Minnesota Law **REQUIRES** homeowners, do-it-yourselfers, excavators and contractors contact Gopher State One Call two business days prior to digging, driving stakes, or performing any other activities that involve disrupting the ground. ***Never assume the depth of a utility or that the depth of the utilities are consistent.***

Gopher State One Call will contact the utility companies in the area to have underground lines marked. Once all utility lines are marked, digging may begin. Proceed with caution and avoid the tolerance zone or hand dig with a shovel within 2 feet of the marked utility lines.

Watch for private facilities such as sprinklers, power lines to garages or out buildings, gas grill lines or invisible fencing as these will not be located by Minnesota utility companies.

Visit gopherstateonecall.org to learn what information will need to be given when contacting Gopher State One Call.

The service is **FREE**. Call toll free at 800-252-1166 or simply dial 811.



**Know what's below.
Call before you dig.**



Vehicle Care and Our Water

Car Washing

While washing your car, wash water collects soap, detergents, and residues from exhaust, gasoline, fluids, and motor oils. Making its way down paved surfaces collecting additional debris and pollutants before flowing into the nearby catch basin and the nearest waterbody.

Car Fluids

Your car contains many fluids including engine oil, transmission fluid, power steering fluid, brake fluid, and radiator fluid. These fluids are transported by rainfall, down the catch basin into the local waterway where it contaminates drinking water and threatens aquatic life.

What You Can Do:

- Prevent the water from entering the storm drain by washing your car on the lawn rather than the driveway
- Use water friendly soap such as ¼ cup of vegetable oil based liquid soap per 1 gallon of warm water
- Check out a Storm Drain Marking Kit from the City Engineering Department
- Properly store and dispose of vehicle fluids
- Check your vehicle for leaks monthly
- Clean up all spills immediately with cat litter, saw dust, cornmeal and sweep up

Proper vehicle maintenance and good housekeeping when conducting vehicle maintenance activities can help protect your waterways and public health/safety.

Bradley D. Rademacher, Water Quality/Stormwater Specialist, (507)-774-7300 or Bradley.rademacher@ci.owatonna.mn.us

REBATES

Shower Yourself With Savings!



NEW!
\$25
WaterSense
Showerhead
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If you shorten your shower one minute,
you can save 550 gallons per year.

**But if you switch your showerhead,
you can save 2,900 gallons per year!**

**Rebate will not exceed the purchase price.*

CONTINUE TO MAKE A SPLASH WITH OUR OTHER WATER EFFICIENCY REBATES:

- Clothes Washersup to \$150
- Toilets – High Efficiency\$50
- Urinals – High Efficiency \$60
- Rain Barrels..... \$10
- Rotating Sprinkler
Nozzles:\$3 each
- Weather-Based Irrigation
Controllers \$75



Visit www.owatonnautilities.com to learn more and download rebate applications with complete terms and conditions.

CONSERVE & \$AVE®



INDICIA

P.O. Box 800 208 S. Walnut Ave.
Owatonna, MN 55060

Office: 451-2480 Service: 451-1616

OFFICE HOURS:
Monday-Wednesday:
8:00 a.m. - 5:00 p.m.
Thursday:
8:00 a.m. - 6:00 p.m.
Friday:
8:00 a.m. - 4:00 p.m.
Saturday & Sunday:
Closed

Payment Options

- Online at www.owatonnautilities.com
- Automatic Withdrawal; bank account or credit card
- Drive-up drop box located in the parking lot south of building
- Drop box locations at Cash Wise Grocery Store and HyVee Food Store
- Mail
- At Owatonna Public Utilities; cash, credit card, check or money order

Moving?

Remember to contact the Customer Service Department **ONE WEEK** prior to moving, 451-2480.

You're Invited!

Southern Minnesota Municipal Power Agency invites you to the new Lemond Solar Center to celebrate this innovative energy resource.

When:
Thursday, July 13th
4:00-5:00 PM



Where:
4043 SW 8th Street
Owatonna, MN

SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY

Lemond Solar Center OPEN HOUSE



Tell Us How We're Doing
Your opinion matters to us. Please take a few minutes to tell us how we did by visiting our website at owatonnautilities.com/customerurvey or simply scan the QR code above.

Gas Leak?

If you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616.



Don't turn electrical switches on or off or use a flashlight or telephone in the home, because an electrical spark could ignite the gas and cause an explosion.

From the Editors

We welcome your comments and suggestions for future issues. Feel free to give us a call at 451-2480 or send an email to schmolt@owatonnautilities.com.



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