

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

Director, Engineering, Electric & Meter Services Johnson led the Pledge of Allegiance.

Minutes

The Minutes from the special budget meeting of November 9, 2011 and the regular Commission meeting of October 25, 2011 were presented to the Commission. Commissioner Schreiner moved to approve both sets of Minutes. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$3,775,750.52. The Committee also had a discussion regarding the courier service used to transport mail and payments to and from the post office and between all of OPU's buildings. One work order for the replacement of a vehicle budgeted in 2012 was approved for purchase in 2011. The vehicle being replaced had the transmission go out of it and needs to be replaced immediately. The Committee also had a discussion regarding OPU's reserve policy compared to other utilities' policies. Staff recommends keeping our reserve policy as is, with 100 days for electric and 50 days for natural gas and water.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed management wages for 2012. A zero percent increase is being recommended.

City Administrator's Report

City Administrator Busse was not present to give a report.

2012 Budget, 2013-2016 Forecast

Director, Financial & Administrative Services Fondell distributed the proposed final 2012 budget, 2013-2016 forecast to the Commission. She noted a few changes from the previous version distributed. Those changes included extending costs for an additional lineworker past 2012; shared costs associated with an economic development coordinator position at the Chamber of Commerce; and extending the costs of service territory being switched to a capital item from an expense past 2012. After discussion regarding the economic development coordinator, the Commission agreed to have the funds budgeted contingent on the Chamber securing the necessary funding from a variety of sources. They feel the position should be strictly the Chamber's responsibility, if it is deemed a warranted position, after 3 years. Commissioner Schreiner moved to approve the 2012 Budget, 2013-2016 Forecast as submitted. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Rate Policies

General Manager Fritsch presented several rate policies to the Commission. Director, Financial & Administrative Services Fondell confirmed the 2012 Budget was built upon these rate policies and their content. All the rates were included in the budget when it was approved. They included:

- Gas Conservation Recovery Adjustment – Policy #603.20
- Water Rates – Residential, Commercial & Industrial – Policy #502.11, 502.21
- Gas Rates – Residential – Policy #503.10
- Gas Rates – Commercial – Policy #503.20
- Gas Rates – Crop Drying – Policy #503.90
- Gas Rates – Interruptible – Policy #503.50

Commissioner Simon moved to approve all rate policies presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2011 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Fritsch updated the Commission on the SHERCO 3 outage. Mr. Fritsch also noted new performance appraisal forms for all employees and management staff will be rolled out the first part of the year and the management employees will have key goals as part of that process. Staff is also working on a multi-year strategic plan including succession planning.

Director, Financial & Administrative Services Fondell gave the Commission an update on the repurposing project.

Director, Engineering, Electric & Meter Services Johnson reported work is progressing on the well projects in Morehouse Park.

Manager, Energy Management & External Relations Warehime distributed and discussed a customer satisfaction survey that was performed in October. He noted overall our satisfaction number were high compared to other utilities. Two of the biggest impacts on customers' dissatisfaction levels were community involvement and the taste of the water. The company conducting survey noted Community Involvement seems to rise to the top when a utility company is performing well in all other areas. Staff will have more discussions regarding the taste of the water issue. The Commission was asked to look over the survey and direct any questions to Mr. Warehime.

Commission Roundtable

Commissioner Ihrke – Thank you for the work on the budget and thanks to the State of the Utility team. It was very well done this year.

Commissioner Simon – Nothing.

Commissioner Schreiner – Also thanked staff for their work on the budget and the State of the Utility team.

Commissioner Cosens – Thanks staff for their work on the budget and the State of the Utility meeting. Mr. Cosens is looking forward to future reports on the SHERCO 3 outage, as well as the project timeline for the repurposing.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:59 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant