

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Cosens, Ihrke, Schreiner, and Stansberry. Absent was Commissioner Simon. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Generation Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Information & Financial Services Turnbull; Supervisor, Meter Services Pelot; Supervisor, Substations & Generation Deering; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman. Jim Gunderson on behalf of Pillsbury College was also present.

Commissioner Stansberry led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of March 27, 2012 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes. Commissioner Ihrke 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 \$4,692,122.17 and a couple work order addendums. Commissioner Cosens further reported the natural gas utility has a \$1 million deficit due to warmer winter weather and that deficit is expected to continue through the end of the year. The deficit will be covered by reserves.

Personnel Committee: Commissioner Schreiner reported the Personnel Committee did not meet, however, a meeting for the General Manager's review will be held later in the week.

City Administrator's Report

City Administrator Busse discussed positions within the City that will be filled. These positions included a technology coordinator, and a community development specialist. Finalists for the human resources position are being interviewed, as well.

Customer Visit – Pillsbury College

General Manager Fritsch introduced Mr. Jim Gunderson representing Pillsbury College. Mr. Fritsch explained Mr. Gunderson is present to discuss a billing dispute with the Commission. Mr. Fritsch explained the situation surrounding the incident noting Pillsbury College was under-billed for 43 months of natural gas usage. OPU is asking Pillsbury College to pay for only 12 months of that. OPU has also placed a lien against the property due to it being in a foreclosed state. Mr. Gunderson expressed his appreciation in the politeness and graciousness of all contacts he has had with the Owatonna Public Utilities. Mr. Gunderson further explained the lien on the property creates an issue when trying to sell the property as well as Mr. Gunderson doesn't feel Pillsbury College should have to pay for the under-billed amount. After discussion, the Commission stated though they understood Mr. Gunderson's position they felt because the services were provided, OPU was only asking for 12 months of the 43 month deficit, and it has been past practice to bill other customers in similar situations,

they would stand by OPU management's decision to bill Pillsbury College for the last 12 months of the under bill. General Manager Fritsch added, in contrast, if the account had been over billed, OPU would have credited the customer for the overage. Manager, Energy Management & External Relations Warehime noted, the lien placed against the property is consistent with prior practice in dealing with foreclosed properties. Mr. Gunderson expressed is disagreement with the Commission's decision, thanked them for their time and left the meeting.

Parallel Generation Rate Policy

General Manager Fritsch presented the Parallel Generation Rate policy, noting it was presented at the last meeting in draft form. Manager, Energy Management & External Relations Warehime recapped the policy noting it is a tariff that has to be in place to be in accordance with rules regulating companies who want to be parallel with their utility in renewable energy. Commissioner Stansberry moved to approve the policy as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of March 31, 2012 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Fritsch distributed and discussed the OPU placemat noting it included most of the items from the Scorecard. He noted it is a good tool for a quick glance as to who we are.

General Manager Fritsch presented the 2012 1st Quarter OPU scorecard. Director, Financial & Administrative Services Fondell discussed controllable costs and reserves. General Manager Fritsch touched on the innovation and cost avoidance section. Director, Engineering, Electric & Meter Services Johnson discussed the customer average interruption duration index (CAIDI) numbers. Director, Gas, Water & Generation Green noted there was one gas hit and no more additional water main breaks. Manager, HR, Safety, Risk & Loss Control Madson noted there was only one recordable injury in the first quarter dating back to January. Director, Financial & Administrative Services Fondell noted revenues collected from Revenue Recapture are at about 16% of the claims submitted since February, 2012. Director, Energy Management & External Relations Warehime discussed the customer satisfaction survey and the stewardship items including conservation programs, electric & natural gas savings goals, and carbon dioxide savings.

General Manager Fritsch updated the Commission on the power plant repurposing project. He noted the old Meter Shop building has been demolished and the cooling towers will be next. The goal is to have the power plant cleaned out by the end of the year. Director, Engineering, Electric & Meter Services Johnson noted we are waiting on an approval from FEMA regarding the alternative project.

Director, Financial & Administrative Services Fondell reported to the Commission the auditors have completed their 2011 audit. She noted there may be a few items they come back with. One such item may be to require OPU to have an out of state travel policy. Mrs. Fondell noted the auditors will be at the next Commission meeting to discuss the 2011 audit.

Manager, Energy Management & External Relations Warehime informed the Commission the Refrigerator/Freezer Recycling program will kick off again for 2012 on May 15th. Mr. Warehime further noted he will be leaving the Owatonna Incubator board after 8 years and that Mrs. Fondell will be replacing him.

Director, Gas, Water & Generation Green discussed the removal of the cooling towers over the next couple weeks.

Commission Roundtable

Commissioner Stansberry – Expressed his appreciation of the article in the Owatonna Peoples Press regarding the new lighting of the OPU sign. Mr. Stansberry brought up for discussion his desire to have OPU staff consider going to paperless Commission meetings. City Administrator Busse added the City Council is considering the same thing. General Manager Fritsch noted, SMMPA is currently doing a study regarding paperless meetings. OPU is waiting for that study to be complete, but will look into the option.

Commissioner Ihrke – Thanked the OPU staff and City departments for consistently working together so well.

Commissioner Schreiner – Nothing.

Commissioner Cosens – Expressed his appreciation of the placemat and the score card.

Adjournment

There being no further business to come before the Commission, Commissioner Stansberry moved to adjourn the meeting. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:57 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant