

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Ihrke, Simon, Schreiner, Stansberry and Cosens. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services, Fondell; Director, Engineering, Electric & Meter Services Johnson; Director, Customer Service, Generation & Substations Green; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Financial Services Turnbull; Supervisor, Information Technologies Keltgen; Supervisor, Substations & Generation Deering; and Executive/HR Assistant Schmoll. Other guests were Roger Wacek, OPU customer.

Director, Financial & Administrative Services Fondell led the Pledge of Allegiance.

Minutes

The Minutes from the special budget meeting of November 13, 2012 and regular Commission meeting of October 25, 2012 were presented to the Commission, Commissioner Cosens moved to approve both sets of Minutes as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4,375,115.70. They also approved two work order additions. After a lengthy discussion, the Commission asked staff to be more cautious in planning projects to try to avoid further overruns.

Personnel Committee – Commissioner Stansberry reported the Personnel Committee met and discussed management wage increases for 2013. Mr. Stansberry also reported two additional meetings are scheduled in December one of which will be the General Manager's review.

City Administrator's Report

City Administrator Busse reported the final budget hearing to the public is scheduled for December 4th. A 1.83% levy increase is being recommended. .2% of that increase is for a business development study to help grow the tax base. Mrs. Busse further reported two long time employees of the Park and Rec department have retired, Jeff McKay and Sharon Kline. The Park and Rec Department has been reorganized and Corky Ebeling has been named interim director. Mrs. Busse further reported all union contracts have been settled except the police one which is in mediation.

2013 Budget, 2014-2017 Forecast

Director, Financial & Administrative Services Fondell presented the Commission with the final 2013 Budget, 2014-2017 Forecast and noted the changes discussed at the special budget session have been incorporated. After a brief discussion, Commissioner Schreiner moved to approve the budget as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Power Plant Repurposing Project

General Manager Fritsch was asked to briefly describe what is included in the project budget of \$14 million. He further discussed next steps, additional costs associated with phasing the project, and additional costs associated with a “green field” approach. Mr. Fritsch concluded by stating the goal is for OPU to use reserves and projected revenues to fund the project without having to raise rates. After discussion, Commissioner Schreiner moved to move forward with the project with the understanding rates would not be raised to fund the project. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

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

Operations/Scorecard

Staff discussed updates to the October scorecard.

General Manager/Staff Report

General Manager Fritsch introduced James Keltgen, the new Supervisor, Information Technologies. Mr. Fritsch reminded the Commission of the State of the Utility meeting and discussed the CapX 2020 capacity expansion project the SMMPA Board will be voting on. Mr. Fritsch will recommend approval of that project.

General Manager Fritsch discussed the agreement on the Four Season’s Building in regards to Contributed Services. Mr. Fritsch is working with the City and the County to extend the current agreement for one additional year so details for a new agreement can be worked out. City Administrator Busse noted the facility is now being used by more City related activities versus the County.

Director, Gas, Water & Power Production Green updated the Commission on the asbestos abatement project that is continuing in the plant.

Manager, HR, Safety, Risk & Loss Control Madson reminded the Commission of the upcoming employee recognition dinner.

Executive/HR Assistant Schmoll respectfully asked the Commission’s approval to delay a decision on the paperless options until Supervisor, Information Technologies Keltgen can get settled in and offer his opinion on the options. The Commission concurred.

Commission Roundtable

Commissioner Stansberry – Nothing.

Commissioner Simon – Nothing.

Commissioner Schreiner – Nothing

Commissioner Cosens – Thanked all the staff members for their work on putting together their budgets for 2013.

Commissioner Ihrke – Also thanked staff for their work on the budget.

Audience Comments

OPU customer, Roger Wacek, attended the meeting to inquire about OPU's monitoring of the aquifer where OPU draws water. Director, Engineering & Electric Services Johnson explained to Mr. Wacek and all present how the aquifer is monitored. Mr. Wacek also expressed he would like to see some sort of rain water system considered to provide for lawn watering to avoid using City water.

The Commission thanked Mr. Wacek for his attendance and comments.

Adjournment

There being no further business to come before the Commission, Commissioner Stansberry moved to adjourn the meeting. Commissioner Simon seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:39 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant