

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Schreiner, Kottke, Stansberry, Cosens and Simon. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial Services & Administrative Services Fondell; Director, Customer Service, Conservation, Generation & Substations Green; Director, Engineering Services Johnson; Director, Field Operations & External Relations Warehime; Manager, Human Resources Madson; Executive/HR Assistant Schmoll; and Marketing/Energy Conservation Manager Hendricks. Other guests included Mayor Tom Kuntz and customer Roger Wacek.

Commissioner Schreiner led the Pledge of Allegiance.

Minutes

The Minutes from the July 22, 2014 meeting were presented to the Commission. Commissioner Kottke moved to approve the Minutes as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Mayor Kuntz asked to be moved up on the agenda. He thanked the Commission for allowing him to represent OPU and the City of Owatonna in Washington, DC at the APPA Public Policy Council. Mayor Kuntz discussed which representatives he met with, what issues were discussed, and the legislator's opinions on these various issues. Some of the issues discussed included tax exempt financing for municipalities, electric markets; and EPA regulations.

Committee Reports

Personnel Committee – Commissioner Stansberry reported the Personnel Committee met and discussed staffing noting the Electric Engineer position remains open at this time.

Finance Committee – Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4,760,821.92. He further noted each utility is trending with a positive net income. There was one work order addition for additional licensing to use the GIS System in the field.

City Administrator's Report

City Administrator Busse noted the sad occurrence and huge loss in the passing of Council Member Raymond Truelson. She discussed the process involved for replacing Mr. Truelson on the Council. She further noted there is some seal coating being done around the community and the deadline for franchise agreements for cable TV is September 2nd. After applications are received, a public hearing will be held and the process will move forward from there.

OPU Water Service Line Insurance Program

General Manager Fritsch presented the Water Service Line Insurance Program OPU is proposing to implement. Director, Field Operations & External Relations Warehime explained the program in detail and gave a PowerPoint presentation. He discussed the diagram indicating serviceline ownership; the objectives of the program; the pros and cons of several options considered; and the proposed program. He noted it would be an opt-out program for owners and residents but an opt-in program for landlords. He further noted the fee would be free for the first year of the program to customers to give them an opportunity to get a good understanding of the program. He discussed the terms of the program and other items addressed. The cost of the program per month will be \$1.99 per customer. Commissioner questions related to public education, annual program review, and commercial versus residential eligibility. After discussion, the Commission directed Director, Field

Operations & External Relations Warehime to move forward with drafting the formal policy for the program.

Contributed Services

The Contributed Services report as of July 31, 2014 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the scorecard. Highlights included being 8% under budget, and the updated the rate comparison. Commissioner Cosens inquired about winter gas rates and hedging. Director, Customer, Conservation, Generation & Substations Green discussed the hedging process and the philosophy behind the process.

General Manager/Staff Report

General Manager Fritsch updated the Commission on the repurposing project and noted some people are moved in their new offices. Phase II of the project, including the destruction of the old office building, will begin in September.

General Manager Fritsch discussed a joint underground project OPU was approached with. He noted the project entails installing electric conduit underground throughout the whole city as a joint project with a communications company who is planning to install fiber in all areas of town. The joint project is anticipated to be completed in 4 years. However, it would take OPU several more years after that to actually install the electric cable in the conduits. General Manager Fritsch discussed several options OPU considered in making the decision to recommend moving forward. On the financial side it would include a minimal rate increase to cover the initial costs of the project. The long term savings would be several thousand dollars. He further noted, this is an opportunity for OPU to plan for the future that we may never have a chance at again. General Manager Fritsch added, that a special meeting would be needed and a resolution signed by the Commission. After discussion, Commission directed staff to move forward with setting up the special meeting and resolution.

Marketing/Energy Conservation Manager Hendricks reported to the Commission that October is Energy Awareness month and to celebrate, OPU will be hosting a series of workshops. The first workshop is the viewing of the movie Switch. The other remaining workshops include a compressed natural gas workshop, a solar workshop and a home energy workshop. The workshops will be held every Thursday in October beginning at 6:30 p.m.

Commission Roundtable

Commissioner Simon – The new building looks great.

Commissioner Stansberry – Thanks to everyone for their extra efforts and hard work during the move.

Commissioner Cosens – Enjoyed all the information that was presented this evening, and am glad to see there are options being considered that demonstrate forward thinking for the organization.

Commissioner Kottke – Also, enjoyed all the information presented at the meeting and expressed his satisfaction in the progress of the building.

Commissioner Schreiner – Inquired about the community use of the new Commission Room. General Manager Fritsch replied we will be looking into the creating a use policy.

Audience Comments

Customer, Roger Wacek, asked some questions regarding the water service line program and voiced his concerns for the Keystone pipeline. He further brought the Commission's attention to health concerns related to iodine.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:41 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant