

The Owatonna Public Utilities Commission met in regular session in the Morehouse conference room at the Owatonna Public Utilities. Present were Commissioners Cosens, Schreiner, Simon and Stansberry by phone. Absent was Commissioner Kottke. Also present were General Manager Fritsch; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Director, Field Operations & External Relations Warehime; Executive, HR & Administration Coordinator Schmoll; and Marketing/Energy Conservation Officer Jared Hendricks. Also present was customer, Roger Wacek.

Commissioner Simon led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of November 24, 2015 and the special budget session of November 17, 2015 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes as presented. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee: Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers totaling \$4,315,019.27. Commissioner Simon further reported the Utility is ahead of budget in every utility in net income.

Personnel Committee: Commissioner Cosens reported the Personnel Committee met and discussed staffing and succession planning. He noted one open position will be filled January 6, 2016 in the customer service area leaving only one position open in the electric department for an apprentice line worker.

City Administrator's Report

City Administrator Busse reported the City Council approved the 2016 budget at their last meeting which included a 5% levy increase. Mrs. Busse discussed what the funds from the increase will cover.

Water Service Line Protection Program Policy

Director, Field Operations & External Relations Warehime presented and discussed the Water Service Line Protection Program policy, Policy #602.35. He noted the only change to policy was how the free trial period was handled. After review, it was discovered the current process would be hard to manage with our current billing system. Now, customers are automatically enrolled and if they decide to opt out, the first three months' fees will be returned to them. After discussion, Commissioner Schreiner moved to approve the policy as presented. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion assed.

Rate Policies

General Manager Fritsch presented the electric and natural gas rate policies to the Commission. He noted the changes made reflected the rates approved during the budgeting process. After discussion, Commissioner Simon moved to approve all rate policies presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

EAA & PGA Policies

Chief Financial Officer Fondell presented the Energy Acquisition Adjustment (EAA) and Purchase Gas Adjustment (PGA) policies to the Commission. She discussed the language changes and noted they make the policies easier to understand. She further discussed the logic behind the calculation formula and the noted the formula followed what was discussed during the budgeting process and built into the approved 2016 budget. She noted the EAA calculation will be based on the purchased power commodity versus the sales volume commodity which is how the PGA is calculated aligning the policies further. She also noted the impact to our customers using these new calculations is positive or not significant at all. After discussion, Commissioner Simon moved to approve the policies as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of November 30, 2015 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff discussed changes to the scorecard.

General Manager/Staff Report

General Manager Fritsch updated the Commission on the over-voltage issue that occurred in the Industrial Park. He noted only two customers were affected and we will be meeting with them one on one with the insurance adjuster, and will finish up with cause mapping of the incident to ensure similar incidents do not occur again.

General Manager Fritsch reported the annual review of the Four Seasons Centre for purposes of contributed services as completed and staff is not recommending any changes in 2016.

Chief Financial Officer Fondell discussed the results of a 2014 survey conducted by the American Public Power Association (APPA) regarding financial operations and how OPU compares.

Commission Roundtable

Commissioner Stansberry thanked everyone for a successful 2015, wished everyone a Merry Christmas and stated he is looking forward to a wonderful 2016 year.

Audience Comments

Customer, Roger Wacek, informed the Commission of a letter he wrote to the Editor of the newspaper regarding climate change and recommended the book "Unprecedented" to the Commission.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Stansberry seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:40 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, HR & Administration Coordinator