

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Room at the Owatonna Public Utilities. The meeting was rescheduled due to General Manager Fritsch and Chief Financial Officer Fondell attending a conference. Present were Commissioners Cosens, Simon, Kottke, and Rossi. Commissioner Doyal phone conferenced. Also present were General Manager Fritsch; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Manager, Human Resources Madson; Supervisor, Accounting Sedivy; Supervisor, Customer Care Heimerman; Executive, HR & Administration Coordinator Schmoll; and Energy Conservation Officer Hendricks.

Commissioner Kottke led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of January 24, 2017 were presented to the Commission. Commissioner Rossi moved to approve the 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 totaling \$6,450,481.14. He further reported they signed two work orders for smart meters and testing equipment.

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and received updates on staff including the hiring of two linemen.

City Administrator's Report

City Administrator Busse reported 2016 was a strong year for the City of Owatonna. She noted there were 400,000 sqft of additions in the industrial sector resulting in 200 jobs being added; as well as 37 single family homes were built in 2016 which is the highest since 2008. Ms. Busse discussed housing needs in Owatonna, the restaurant contract at the Brooktree Golf Course and a new partnership contract with Jaguar Communications. Ms. Busse closed by thanking General Manager Fritsch for his assistance with the training supervisors on performance reviews.

Contributed Services

The Contributed Services report as of January 31, 2017 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on items on the January scorecard. Chief Financial Officer Fondell reported there are new target levels in the reserves area based on the 2017 budget. She noted new target reserves levels are \$12.8 million.

Director, Engineering Johnson discussed the new goals for 2017 in the three utilities and noted the electric CAIDI has been broke down between overhead and underground to give a more accurate representation of the whole bigger picture.

Manager, Human Resources Madson reported no OSHA recordable incidents to date. It has been 51 days in 2017 and 412 consecutive days without an OSHA recordable incident.

Customer Care Supervisor Heimerman reported a customer survey will be starting towards the middle or end of March and will target 300 customers. She reported a local group will be conducting the survey.

General Manager/Staff Report

General Manager Fritsch gave a presented from SMMPA called 2017 Year in Preview. Highlights included the Owatonna Energy Station (OES) being complete and online; the Lemond Solar center being online; and a coordinated outage of the Sherco 3 unit.

General Manager Fritsch distributed and discussed a packet from Minnesota Municipal Power Agency (MMUA) discussing who MMUA is in regards to their mission, visions and values. He noted they are involved in legislative issues, safety, training, mutual aid, and disaster response. The packet also included MMUA's position statement paper regarding electric industry regulation, local control of municipal electric utilities, small cell distributed antenna systems (DAS), sales tax for construction materials, clean water costs and broadband access.

Commissioner Rossi inquired as to why there is a move by wireless providers to have access to our infrastructure? Wireless providers want access to city and community, right of ways, to install small cell tower poles and attach small cell devices to lights and existing poles without obtaining permission and complying with codes and ordinances. Towns and utilities are moving distribution lines underground and therefore; utility poles may not be available to hang the small cell systems. Cellular providers need to work with the utilities and local governments as there may be certain requires for poles in different areas. General Manager Fritsch explained the amount of energy needed to support the increasing usage by cellular devices, computers, and data centers is approaching the same amount as Japan uses as a county. Demand is going up.

Chief Financial Officer Fondell discussed a gas transportation rate with the Commission. She noted staff's recommendation is to develop a gas transportation rate specifically for generation activities. She noted the benefits include competitive generation pricing for the OES which benefits SMMPA and OPU, streamlined processes with The Energy Authority (TEA) and OPU can make a profit and minimize administration. It seems to be a win-win for SMMPA and OPU. Mrs. Fondell discussed the difference between a generation rate versus a transportation rate. Staff is recommending developing a generation gas transportation rate policy at \$.36 mmtbu for strictly generation activities. After discussion, Commissioner Simon moved to adopt staff's recommendation of creating a generation gas transportation rate policy. Commissioner Rossi seconded the motion. All Commissioners voting Aye, motion passed.

Energy Conservation Officer Hendricks reported OPU will be hosting a House Call Energy Audit workshop on March 9th.

Commission Roundtable

Commissioner Kottke – Thanked the staff for their prompt and professional assistance with some customer inquiries Mr. Kottke had recently received.

Adjournment

There being no further business to come before the Commission, Commissioner Rossi moved to adjourn the meeting. Commissioner Simon seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:54 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, HR & Administration Coordinator