

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Conference Room at the Owatonna Public Utilities. The meeting was rescheduled due to General Manager Fritsch attending the American Public Gas Association (APGA) National Conference. Present were Commissioners Rossi, Simon and Doyal. Absent were Commissioners Cosens and Kottke. Also present were General Manager Fritsch; Chief Financial Officer Fondell; Director, Engineering Johnson; Director, Field Operations Warehime; Manager, Human Resources Madson; Supervisor, Substations and Generation Deering; Executive, Communications & Administration Coordinator Schmoll; and Energy Conservation & Key Accounts Officer Hendricks.

Commissioner Rossi led the Pledge of Allegiance.

### **Minutes**

The Minutes from the regular meeting of June 26, 2018 were presented to the Commission. Commissioner Simon moved to approve the Minutes as presented. Commissioner Rossi 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 \$4,566,614.94. He further reported one work order addition was approved for work on a transformer due to additional work needed on it. A work order for a substation was also approved. The substation is budgeted in the 2019 budget; however, due to transformer lead times, the transformer needs to be ordered in 2018.

Personnel Committee: Commissioner Rossi reported the Personnel Committee met. They received a staffing update and worked on a timeline and interview questions for the General Manager candidates. Commissioner Rossi stressed the importance of the hiring process and requested all Commissioners attend Personnel Committee meetings going forward until the new General Manager is hired.

### **City Administrator's Report**

City Administrator Busse was not in attendance.

### **Distribution Pole Attachment Policy**

Director, Engineering Johnson presented a new policy called Distribution Pole Attachments and explained the policy is designed to establish a uniform policy that can be used to multiple attaching entities. He explained the current policies addressing pole attachments are outdated. This new policy combines Policy #490.10 (Cable TV Pole Attachment) and #490.11 (Cable TV Interfacing costs) into one policy and provides consistency and uniformity for a variety of different entities who want to attach devices to power poles. He explained what other utilities in the area are charging for this service. The policy updates the rate to be more in line with current costs. After discussion, Commissioner Doyal moved to approve the policy as submitted. Commissioner Rossi seconded the motion. Commissioners Doyal and Rossi voted Aye, Commissioner Simon abstained. The motion passed.

### **Contributed Services**

The Contributed Services report as of June 30, 2018 was presented to the Commission. The Commission signed the report.

**Operations/Scorecard**

The Commission reviewed the June scorecard. There were not any notable items to discuss.

**General Manager/Staff Report**

General Manager Fritsch reported on the APGA National Conference. He noted items of discussion at the conference included gas prepays and leveraging tax exempt status; marketing approaches designed to entice people to use more natural gas; and hiring issues. He noted, it is becoming increasingly more difficult to fill positions due to people not wanting to move. This is an industry wide issue.

General Manager Fritsch reminded the Commissioners of the Owatonna Energy Station (OES) open house scheduled for August 8<sup>th</sup> at 1:30 p.m.

Lastly, General Manager Fritsch updated the Commission on the progress of the service territory negotiations.

Chief Financial Officer Fondell updated the Commission on the status of the conversion to the new customer information system (CIS). She noted, training is continuing and due to the conversion, no credit card payments can be accepted between August 29<sup>th</sup> and September 4<sup>th</sup>.

Energy Conservation & Key Accounts Officer Hendricks updated the Commission on the theme for the OPU booth at the fair. He noted, since the fair is celebrating their 100<sup>th</sup> year anniversary at their current location, we felt it was fitting to highlight OPU's history, as well.

Supervisor, Substations and Generation Deering presented to the Commission on the Propane Plant. He noted the propane peaking program was originally designed when capacity on the pipeline was an issue. Now that we have plenty of capacity on the pipeline, there is no longer a need to inject the propane into the system. The last time the unit was called for operation, we could not get the plant operating due to too many issues with it. He noted the plant has not been commercially operated for over 10 years. Chief Financial Officer Fondell noted we are evaluating a new rate structure for the 35 customers affected. The recommendation is to decommission the propane peak shaving plant, sell off the assets, and develop different options for customers. After discussion, Commissioner Simon moved approval of the recommendation. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

**Commission Roundtable**

No Commissioners had anything additional.

**Adjournment**

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:50 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive, Communications & Administration Coordinator