

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Rossi, Kottke, Cosens and Doyal. Absent was Commissioner Simon. Also present were General Manager Fritsch; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Director, Field Operations Warehime; Manager, Human Resources Madson; and Executive, Communications & Administration Coordinator Schmoll.

Commissioner Kottke led the Pledge of Allegiance.

Minutes

The Minutes from the July 27, 2018 Commission meeting were presented to the Commission. Commissioner Doyal moved to approve the Minutes as presented. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee: Commissioner Doyal reported the Finance Committee met, reviewed and approved Vouchers totaling \$4,871,676.78. Commissioner Doyal further reported the Committee received a status update on work orders.

Personnel Committee: Commissioner Kottke reported the Personnel Committee met and received a staffing update and discussed timetables for the process of hiring the general manager.

City Administrator's Report

City Administrator Busse gave an update on street projects, filings for City Council offices, and the preliminary levy and upcoming budget review processes.

Policy Cancellation

Director, Engineering Johnson presented the Cable TV Pole Attachment Fee policy and the Cable TV Interfacing Costs policy for cancellation. He noted these policies are obsolete and were replaced with the Pole Attachment policy approved at last month's Commission meeting. Commissioner Kottke moved approval of the cancellation of the two policies. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of July 31, 2018 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

The OPU Scorecard as of July 31, 2018 was presented to the Commission. General Manager Fritsch noted another \$10,000 was added to the cost avoidance/cost savings section due to the release of excess natural gas capacity. Commissioner Cosens inquired about excess natural gas capacity. General Manager Fritsch replied, if we do not need the natural gas capacity we have purchased, we can sell it back for savings. If we needed to purchase more capacity, we would pay a higher price than the hedged gas we have already purchased.

General Manager/Staff Report

General Manager Fritsch distributed and discussed a document with SMMPA Key Metrics on it. He noted overall things look very good for SMMPA. They are financially strong.

Commissioner Rossi asked for clarification on the Solar Working Group noted in the SMMPA minutes. General Manager Fritsch explained there is a group of SMMPA members who are working on instituting a community solar in each of their cities. Owatonna was not able to do it right away due to not being able to bill it. However, this is something Owatonna will be working to implement once our new billing system is up and running. The proposal will be brought to the Commission before it is implemented.

General Manager Fritsch gave an update on service territory and the MMUA Summer Conference.

Human Resources Manager Madson reported a journeyman lineworker, Matt Clements, resigned to pursue an education in electrical engineering.

Chief Financial Officer Fondell presented and updated the Commission on the next steps in the decommissioning of the propane plant. She noted a new rate will need to be developed that will be revenue neutral for OPU and its customers. After discussion, Mrs. Fondell asked for support in moving forward with the development of new rate structure for interruptible natural gas customers. The Commission gave their support.

Chief Financial Officer Fondell updated the Commission on the NiSC go live date. She noted the date has been pushed back one month to October 1st due to issues with data conversion from our current system.

Chief Financial Officer Fondell gave a preview of items that will be presented at the September Commission meeting. These items include a preview of rate changes, a recommendation on the water cost of service study, and recommendations for our current load management program.

Director, Field Operations Warehime noted at the MMUA Summer Conference General Manager Fritsch was awarded the Honorary Membership Award for his work with MMUA on leadership and service territory. This is a big deal due to the award is usually given to someone who has had over 35 years working with MMUA.

Commission Roundtable

Commissioner Doyal thanked Roger Warehime for taking the time to tour the Al-Corn facility, as well as show Mr. Doyal OPU facilities and noted how impressed he was with housekeeping, professionalism and detail. He further thanked Mr. Fritsch for handling a disgruntled customer's call. Mr. Doyal further thanked Beth Fondell and Roger Warehime on their work with the natural gas hedging program.

Commissioner Cosens noted the OES Open House was enjoyable and it was great to see so many people from the community in attendance.

Commissioner Rossi reminded Commissioners the last day for receipt for general manager applications is September 14th and urged all Commissioners to be in attendance at the Personnel Committee meeting on September 19th to review the applications.

Adjournment

There being no further business to come before the Commission. Commissioner Kottke moved to adjourn the meeting. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:35 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator