

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Kottke, Rossi, Doyal and Keilman. Absent was Commissioner Simon. Also present were General Manager Warehime; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Manager, Human Resources Madson; Manager, Information Technology Keltgen; Executive, Communications & Administration Coordinator Schmoll; and Energy Conservation/Key Accounts Officer Hendricks. Other guests included Brad Meier, President/CEO Owatonna Area Chamber of Commerce & Tourism.

Commissioner Rossi led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of July 23, 2019 were presented to the Commission. Commissioner Rossi moved to approve the Minutes as presented. Commissioner Doyal 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 in the amount of \$3,640,849.99. He further reported the Committee approved an unbudgeted work order, in the amount of \$54,200.00, for electric meter test equipment. This new equipment is replacing old equipment that is no longer working. It is portable, so meters can be tested in the field, as well as in the office, and would eliminate the need to outsource the task.

Personnel Committee: Manager, Human Resources Madson gave a staffing update to the Commission. She noted two new employees had been hired; Timothy Kalis as Electric Engineering Technician and Nathan Brinkman as Afterhours Serviceworker. There is only one position left to fill, and that is the position of Gas/Water Engineering Technician. We are actively recruiting for it; however, we do not currently have any candidates. Mrs. Madson noted, the position qualifications have been adjusted to remove utility experience and will focus more on their experience with CAD.

City Administrator's Report

City Administrator Busse reported the City Council is in their budget planning process and staff has tentatively proposed a 4% levy.

Brad Meier, President/CEO of the Owatonna Area Chamber of Commerce and Tourism updated the Commission on a workforce initiative the Economic Development team is working on. It is called Steele County Works. The program has over 60+ businesses participating through job shadowing, internships or actual jobs. The program is designed to give students who are graduating without a plan exposure to what the Owatonna area has to offer for jobs. New this year will be a focus on communicating with alumni who have graduated in the last 5 years making sure they know what is available in the area, as well. Commissioner Kottke inquired if there are other programs similar to this in southern Minnesota. Mr. Meier replied there are, they are all a little different, so we are experimenting with some different ideas to see what will work here. There is also a business advisory board consisting of 8 business people who will help guide the program. The Commission thanked Mr. Meier for his presentation. Mr. Meier left the meeting.

Acceptable Use Policy

Manager, Information Technology Keltgen presented the Acceptable Use Policy to the Commission. He noted, the name of the policy changed from "Computer Acceptable Use Policy" due to phones now being used as computers. He noted, the policy has been changed to make it easier to use and follow. Following industry standard, the biggest change will be the removal of an expiring password. After discussion, Commissioner Keilman moved to approve the Acceptable Use Policy. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

Unauthorized Use of Utility Meters Policy

Chief Financial Officer Fondell presented a new policy to the Commission called Unauthorized use of Utility Meters. She noted the policy is directed towards customers or contractors who are tampering with our meters for reasons of obtaining free utility services. Tampering by customers can become a safety issue for both the customer and the utility works so it is a high priority. The language in the policy comes directly from the State statute that address this issue. It demonstrates we take the issue seriously, and we plan to enforce it. Commissioner Kottke inquired as to the frequency of these types of occurrences. Mrs. Fondell replied, fortunately, not very often. Once the policy is approved, the procedure of how the policy is enforced will be developed so there are consistent guidelines. Commissioner Keilman inquired as to why we do not just have a procedure based on the State statute. Mrs. Fondell replied, this gives us something local as another layer. After discussion, Commissioner Doyal moved to approve the Unauthorized Use of Utility Meters policy, as presented. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of July 31, 2019 was presented to the Commission. Commissioner Rossi moved to approve the Contributed Services report. Commissioner Keilman seconded the motion. All Commissioners voting Aye, the motion passed and the Commission signed the report.

Operations/Scorecard

General Manager Warehime noted the increase in gas line incidents. He noted, all utilities for each incidents had been located. The issue was, the lines were not as deep as originally assumed. Hand-digging is supposed to be performed within 2 feet of the marks.

General Manager/Staff Reports

Manager, Information Technology Keltgen presented to the Commission on the AMI project and noted approval will be sought during the budget process. Mr. Keltgen discussed the process used to narrow the vendor search down to one candidate, who we are currently in negotiations with over the price of the project. Mr. Keltgen further noted this gives us an opportunity on the gas and water side to clean up miscellaneous meters we have in the field that are not performing well. We are anticipating more investment upfront as we roll out the project but our annual capital in later years will decrease. Also, prices typically increase as time goes on, so to invest more upfront, will be more cost effective in the long run. After discussion, the Commission thanked Mr. Keltgen for his presentation.

General Manager Warehime updated the Commission on the gas prepay agreement. He noted, interest rates have not cooperated as anticipated, so the plan is to have everything in place in the event the difference in interest between taxable bonds and non-taxable bonds becomes favorable again.

General Manager Warehime further updated the Commission on the topics at the MMUA Summer Conference. He noted, electric vehicles and AMI are the hot topics right now. With the anticipated higher penetration of electric vehicles, we want to be sure they are being charged off peak so we do not overload transformers. The AMI project fits right into that, as we will have a more detailed and accurate understanding of customers' usage.

Chief Financial Officer Fondell reported she will be attending the NiSC System Conference during the September Commission meeting. A sneak peak of the proposed rate changes will be presented at the September meeting by General Manager Warehime.

Energy Conservation/Key Account Officer Hendricks reported he will be analyzing the electric commercial and industrial customers who are required to switch from EM05 to EC99 or vice versa due to their consumption. Some customers have the option to switch; others are required to switch. Most will have a cost benefit, but there will be some customers who will have a negative impact. The customers with big beneficial impacts will be Kwik Trip and the School district.

Commission Roundtable

Commissioner Doyal stated, with the potential school bond issue, he would like for us to think about how OPU can continue to make that a reality.

Commissioner Rossi inquired about the sale of the propane plant. General Manager Warehime noted, that sale is complete. Mr. Rossi further inquired about who pays for the electricity used at the Tesla charging stations by Arrow Ace Hardware. Mr. Hendricks replied, OPU pays for that. Tesla paid for the infrastructure. It is metered and gets used once and awhile.

Commissioner Kottke, I would like us to consider backing a "Resolution of Support" by the OPU Commissioners towards the proposed Bond Referendum by the Owatonna School District in building a new High School, while at the same time saving and repurposing parts of the existing building for future use by the District **and** the Community.

It is my opinion, and that of many major businesses in the community who have pledged financial support towards this idea, that a new high school building will help improve the economic vitality of our community and help improve the quality of our workforce – which will, in turn, benefit many of OPU's customer base.

I feel there is a strong connection to OPU, as a new high school would presumably be much more energy efficient in terms of heating/cooling and lighting, and I would expect OPU and the School District to work closely together to help insure the best outcome for all concerned if the Bond is passed.

That said, I would like to ask the Commissioners to seriously consider a resolution like I have outlined for possibly making this part of our Public Record at our September meeting. My hope is that, should this be adopted, we may inspire other groups including the City Council, County Commissioners, and others in leadership positions, to make similar public commitments.

Adjournment

There being no further business to come before the Commission, Commissioner Doyal moved to adjourn the meeting. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:06 p.m.

Respectfully submitted,

Tammy Schmoll,
Executive, Communications & Administration Coordinator