

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Kottke, Doyal and Keilman. Absent were Commissioners Simon and Rossi. Also present were General Manager Warehime; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Manager, Human Resources Madson; Supervisor, Accounting Olson; Executive, Communications & Administration Coordinator Schmoll; and Energy Conservation/Key Accounts Officer Hendricks. Other guests included Dave Geschwind, Executive Director & CEO SMMPA; and customers, Mike Brooks and Roger Wacek.

Commissioner Doyal led the Pledge of Allegiance.

Minutes

The Minutes from the rescheduled meeting of December 19, 2019 were presented to the Commission. Commissioner Doyal moved to approve the Minutes as presented. Commissioner Keilman 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 \$5,905,598.52.

Personnel Committee: Commissioner Keilman reported the Personnel Committee met and received updates on staffing and safety. It was noted we ended 2019 with 2 OSHA recordables.

City Administrator's Report

City Administrator Busse reported the City Council approved the Streetscape Plan and the Park Plan at their January meeting. She further gave an update on 2020 street constructions. Major projects include: Bridge street from I- 35 to 24th avenue, Truman Avenue from Havana Road to Main Street and the annual street and utility project consisting of Cherry St., Shady Ave. and Greenhaven Lane. Ms. Busse reported the City Council will hold a strategic planning session in February where they will concentrate on long term plans; 10-20 years in the future.

SMMPA 2.0

General Manager Warehime introduced Mr. Dave Geschwind, Executive Director & CEO of Southern Minnesota Municipal Power Agency (SMMPA). Mr. Geschwind explained the initiative began back in 2018 when the Agency began looking ahead to 2030 when the agreements with Rochester Public Utilities and Austin Utilities expire. During the planning process, talks began with Xcel Energy and the life of their coal systems. Xcel Energy had previously announced the retirement of SHERCO units 1 and 2. In 2019 they included Unit 3, which SMMPA is a co-owner in, in their resource planning process. They have submitted a plan to the State for approval of the retirement of Unit 3 in 2030 and be carbon free in 2050. This is consistent with SMMPA's needs so we started to evaluate what opportunities this could bring in the areas of carbon free with increased renewables. Once Unit 3 is retired, we will not have any coal units but we do have other fossil fuels. The cost impact is plus or minus depending on what market prices are 10 years from now. At this time, we are not looking at acquiring any additional resources. One big item that will need to be addressed and studies is how the retirement of Unit 3 will affect the transmission system and what updates will be needed. Between now and 2030 our transmission system has to be in place. Commissioner Keilman inquired how much land is required for solar fields. Mr. Geschwind replied the rule of thumb is 7 acres per megawatt of

generation. This takes up a lot of land compared to natural gas fired units. For example, the Owatonna Energy Station is a 40-megawatt plant and sits on 5 acres of land. To replace that 40 megawatts with solar, you would need a half mile square piece of land. The Commission thanked Mr. Geschwind for his presentation and he left the meeting.

Four Seasons Building Utilities Approval

General Manager Warehime presented the Commission with a recommendation to continue the agreement to provide partial contributed services to the Four Seasons Centre. Mr. Warehime gave a background on the agreement and noted part of the agreement is to review it every year. Mr. Warehime reminded the Commission the agreement allows for \$100,000 of Contributed Services to the Four Seasons Centre based on 75% of the use of the facility is by residents of the City of Owatonna. These contributed services help to keep the costs associated with the use of the building down. After discussion, Commissioner Keilman moved to accept staff's recommendation of continuing to allow \$100,000 of contributed services to be allocated to the Four Season's Centre. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services Report

The Contributed Services report as of December 31, 2019 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Mr. Warehime noted in the area of OSHA recordables it went from 1 to 2 to end the year. He noted it was a repetitive motion injury where it was decided surgery was needed at the end of the year. There was not anything else notable to discuss.

General Manager/Staff Report

Chief Financial Officer Fondell noted the financial statements in the agenda packet were preliminary. She noted we keep the end of year books open as long as possible to try to capture as many 2019 expenses as possible. The annual audit will be in March when the financials will be wrapped up for 2019.

General Manager Warehime recapped the joint meeting of the City Council, OPU Commission, Steele County, and the School District and noted the meeting focused on community visioning. Mr. Warehime also discussed a training series sponsored by the School District that focuses on leadership training in response to racial violence. He noted there are four OPU employees planning to attend the training.

Commission Roundtable

Commissioner Doyal expressed his appreciation of community leaders continuing to work together to promote the economy of Owatonna through the OPED (Owatonna Partners in Economic Development) group and is proud OPU participates and supports OPED.

Commissioner Kottke expressed his appreciation of all the community leaders working together, as well, reducing the silos that naturally occur in other communities.

Audience Comments

Customer, Roger Wacek, read his opinion he gave to the school board regarding the new high school and their heating systems. Mr. Wacek believes the school board should work with OPU to ensure the systems installed are the most efficient and recommends a combined heat and power system. Mr. Wacek also wants to ensure there is a large storm water retention pond and a pollinator garden by the new OHS. Mr. Wacek also recommended OPU sponsors a bus trip to the regional energy facility that heats and cools the City of St. Paul. In closing Mr. Wacek encouraged attendees to join the Bee Friendly meeting at the Public Library on February 1st at 10:00 a.m.

Customer, Mike Brooks, discussed his thoughts on global climate change, the use of fossil fuels and greenhouse gases. Mr. Brooks noted his concern is for his grandkids and the kind of world we leave for them. He noted the majority of greenhouse gases are generated in transportation. He discussed his passion for electric vehicles and the movement towards electric vehicle corridors including the ability for people to charge at home whether they have a house or live in an apartment. He encouraged the community to install level 2 chargers in parking lots and DC fast chargers where necessary and further encouraged a maintenance program be put in place for them to ensure their continued reliability.

Adjournment

There being no further business to come before the Commission, Commissioner Doyal moved to adjourn the meeting. Commissioner Keilman seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:08 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator