

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Doyal, Johnson, Rossi and Zirngible. Absent was Commissioner Kottke. Also present were General Manager Warehime; City Administrator Busse; Director, Finance and Administration Olson; Director, Engineering and Field Operations Fenstermacher; Manager, Human Resources Madson; Manager, Electric Operations Deering; Manager, Facilities & Gas/Water Operations Krogh; Supervisor, Accounting Linders; Energy Conservation/Key Account Officer Hendricks; OPU employees Lori Jerpbak and Josh Prokopec. Also present was Mayor Tom Kuntz.

President Doyal called the meeting to order and led the Pledge of Allegiance. Mr. Doyal asked for approval of the agenda and the consent items. The consent agenda included the minutes from the September 28, 2021 meeting, as well as the Contributed Services report as of September 30, 2021. Commissioner Johnson moved to approve the consent agenda as presented. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and received a staffing report. There are currently three positions open: gas/water engineering technician; gas/water service worker and the Director, IT. Mr. Rossi updated the Commission on OSHA recordable days and the goal for COVID vaccinations. He further welcomed the newest Commission Doug Zirngible and noted the performance review meeting for General Manager Warehime needs to be scheduled. President Doyal will reach out to Manager, Human Resources Madson to set that date. Mr. Rossi also reported a recommendation was made to the Personnel Committee to increase the non-union employees' wages, effective January 1, 2022 by 3%. He noted all members of the Personnel Committee approved of the increase.

Finance Committee – Commissioner Johnson reported the Finance Committee met, reviewed and approved vouchers totally \$5,072,028.90. He noted they approved a work order addition in the amount of \$105,000 for the 5 to 50 lb. gas transition project. There are two reasons for the addition. One is the project is being taken from a four-year project down to a three-year project and the second is material costs are up approximately 48% from what was budgeted. It was felt expenses would be even higher if the project continued four years.

President Doyal introduced Mayor Kuntz. Mayor Kuntz reported Commissioner Zirngible was not able to make it to the City Council meeting to be sworn in, so Mayor Kuntz administered the Oath of Office to Mr. Zirngible. Mr. Zirngible will finish out Commissioner Keilman's term which ends in 2024. He will be eligible for another 5-year term after that.

City Administrator Report

City Administrator Busse updated the Commission on active street projects.

System Health Reports

General Manager Warehime noted the gas and water system health reports will be given first by Josh Prokopec followed by the electric system health given by Christian, as well as Christian has put together a detailed outage report.

Josh Prokopec presented the Gas system health covering budgets, current projects, future projects and discussed some form changes being driven by MnOPS. Commissioner Rossi inquired about whether abandoned steel pipe is dug up or not. Mr. Prokopec replied, no they stay in place, but we have to keep a record of where it is and how the natural gas was purged from it. There is a layer in our GIS system just for abandoned pipe. Mr. Rossi also inquired as to reasons for switching from 5 lbs. to 50 lbs. for natural gas. Mr.

Prokopec noted the gas is delivered faster so there would be less impact during high demand times. Another reason is people are looking to have natural gas generators as backup. It further reduces the complexity of the system helping us to eliminate regulator stations.

Mr. Prokopec next presented the water system health covering system facilities, budgets, current and upcoming projects.

Director, Engineering and Field Services Fenstermacher presented the electric system health report to the Commission. He discussed the electric territory, system facilities, budgets, current and upcoming projects. He concluded by discussing the four major events that occurred in 2021.

General Manager/Staff Reports

General Manager Warehime reported the facilities planning study in conjunction with the pedestrian bridge by our storage facilities quote has come in from Leo A. Daly with a range of \$35-45,000. He noted the quote does include a master plan for redevelopment including what could be done with our existing building. What it does not include is what a developer could possibly pay us for the building. Leo A. Daly has a company who does that kind of work that may be able to provide us a quote. Mr. Warehime noted this would be an item for the 2022 budget.

General Manager Warehime discussed natural gas prices with the Commission and noted the natural gas market has been very volatile. The winter market forecast that came out in October predicts residential natural gas prices could be 45% higher. He further noted, we have more natural gas locked in for the winter months however, they are slightly higher prices than we have seen in the past. He further discussed purchasing strategies and how the wholesale market electric rates are anticipated to be higher as well. He noted, SMMPA has rate stabilization so we should not see the impact of the electric rates. We will begin communications with our customers in November to discuss anticipated natural gas pricing and will be offering bonus rebates along with conservation tips.

Director, Finance & Administration Olson noted the preliminary budget book will be sent to the Commission right after this meeting and reminded everyone of the budget meeting scheduled for November 8th.

Commission Roundtable

President Doyal reminded Commissioners to send Mr. Warehime's performance review forms to him so he can start compiling it. He further reported he attended the SMMPA Annual Meeting and felt the meeting was enjoyable, however he also felt OPU's Commission is better informed than the information that was given out at their meeting and encouraged General Manager Warehime to keep up the good work.

Commissioner Johnson asked for talking points regarding the anticipated natural gas prices this winter.

Adjournment

The meeting adjourned at 6:00 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator