

# CUSTOMER UPDATE



## FEATURING: EXTENSION CORD USE & SAFETY

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# OPU MEMO



David Olson  
Supervisor, Accounting  
(former OPU Electric  
Engineer)

## OPU Commission

Mr. Dale E. Simon  
Mr. Matt Kottke  
Mr. Kent Rossi  
Mr. Randy Doyal  
Ms. Dena Keilman

### **Where does OPU get its power?**

OPU buys its power from SMMPA – Southern Minnesota Municipal Power Association. SMMPA has local generation including a 39-Megawatt energy station on Bridge Street and the 5-Megawatt Lemond Solar site, west of town. However, SMMPA brings most power into Owatonna on two redundant 161,000 Volt lines; one from Faribault and one from Byron.

### **Some facts about OPU's electric system**

The total electric system load varies throughout the year from a low of about 30 Megawatts to a mid-summer peak of around 81 Megawatts

OPU has 3 substations – West Owatonna, Power Plant and East Owatonna that transform the high voltage transmission power down to the 12,500 Volts needed for our 23 distribution circuits.

These distribution circuits branch through Owatonna on 102 miles of overhead lines and 88 miles of underground lines to provide power to approximately 12,000 electric meters.

### **Recent Electric Projects**

*Joint underground installation with Jaguar Communications* – Over the last several years OPU has partnered with Jaguar to install over 40 miles of underground conduits that will ease replacements of aging underground cable and allow some

overhead lines to be moved underground. We realize this project has caused inconvenience and mess in some of your yards. By doing this jointly with Jaguar, the excavation happens all at once, minimizing the mess for customers while keeping costs and our electric rates down. Conduit installation has been completed in the north, east and most of southern Owatonna. In 2020, Jaguar is considering completing this project by installing conduits in the remaining west and southwest parts of town.

*Territory Acquisition* – As the city limits of Owatonna expand, OPU, as a municipal utility, can also expand. Early this year OPU signed an agreement with Steele Waseca Coop Electric (SWCE) to purchase some electric territory that now lies within the Owatonna city limits. As a result, this summer OPU installed circuit extensions to connect and transfer about 80 customers totaling over 10 Megawatts of load from SWCE to OPU. OPU is again negotiating with SWCE for the transfer of a couple more areas in 2020.

*Substation Expansion* – As OPU system load grows, through territory acquisition or as existing electric customers grow, our substation capacity needs to keep up. This year, OPU began construction to expand the West Owatonna Substation, located at the intersection of Bridge Street and 32nd Avenue NW. When this expansion is completed in late spring of 2020, it will provide added circuits and capacity to serve current and future growth while improving reliability.

*LED Streetlighting* – Early in 2019, OPU purchased and installed more than 200 LED streetlights in parks and around schools in the northern area of town between Cedar Avenue and St Paul Road. This winter 500 more LED streetlights are planned to be installed. These LED streetlights use about half the power of the high-pressure sodium lights being replaced and they have more than double the expected useful life, so OPU will continue to update streetlight to LED in the coming years

*Advanced Metering Infrastructure (AMI)* – OPU's existing electric meters are only capable of measuring kilowatt hours, counting the total energy like the odometer of a car. The new totals are read once a month by driving each neighborhood in a truck with a receiver to get the new reads. New AMI meters will allow OPU to read meters more efficiently without an employee driving a truck through each neighborhood. The new meters will also help OPU identify power outages more quickly for faster, more accurate restoration planning during major outage events.



## TIF 101

### What does TIF stand for?

"TIF" stands for Tax Incremented Financing.

### What is Tax Incremented Financing?

It's a financial tool that cities use to attract new industrial development, create jobs, redevelop declining areas, or clean up environmentally contaminated sites.

### How does TIF work?

When a city creates a TIF district, the assessed property values in the TIF district are frozen at the current level. As development occurs and property values rise, the city captures the increased property taxes to pay for any public improvements or to help finance development and redevelopment projects.

### What is a TIF District?

A TIF District is a designated area in the city, such as a new industrial park or a blighted area, where the city is trying to attract development to increase the tax base and create jobs.

### How is a TIF District formed?

The city first determines if the area qualifies under state law as a TIF District. The city then prepares a TIF Plan and notifies the county and school district in the proposed TIF District. A public hearing is held before approving the creation of a district.

### How does an area qualify to be a TIF District?

The area must meet specific legal criteria described in state legislation to qualify as a TIF District. The city must also determine that little or no investment has been made in the area in recent years, and that private investment will not occur without a TIF District.

In Minnesota, there are different types of TIF Districts, including:

1. *Redevelopment Districts and Renewal and Renovation Districts.* Generally, for a city to create either of these districts, the area must be blighted within the meaning of the statutes. The area must be at least partially developed and a

percentage of the buildings must be structurally substandard.

2. *Housing Districts.* For housing projects intended for occupancy in part by persons of families of low and moderate income.
3. *Economic Development Districts.* TIF can be used when 85% or more of the new buildings in the district will be used for manufacturing, storage, distribution (but not retail sales), certain research and development, telemarketing, and tourism.

### What is a TIF Plan?

A TIF Plan is a legal document that describes why the area is eligible to be a TIF District and describes the proposed redevelopment projects and activities. The TIF Plan also lists the projected cost of the redevelopment activities and describes how they will be paid for.

### Does a TIF District come with money?

No, a TIF District gets its money from the increased property taxes generated by private development projects. If there are no private development or redevelopment projects, or new investment in the TIF District, there will be no money.

### How long can a TIF District exist?

The length of a district depends on the type of district. An economic development district can last for eight years, a redevelopment or housing district can exist for up to 25 years.

### Will a TIF District create development?

No, but it can help. A business must be able to make money if you want it to locate at a specific location. A TIF District can help by decreasing development costs.

### What can TIF funds be used for?

TIF funds can be only used for physical improvements such as infrastructure, buying land, or demolishing buildings. TIF funds cannot be used for loans to businesses for working capital or machinery or equipment.

### Are all property taxes forgiven with a TIF?

No. The property owner pays all of their

property taxes. Within the development agreement they are rebated a portion of their property taxes coinciding with the agreement. Only the increased portion of the property taxes are eligible to be rebated for a specific amount of time as determined within the development agreement and per state statute.

### What does a Developer need to prove in order to be granted a TIF?

A developer needs to prove that if not "but for" this assistance the project would not happen. The city reviews the developer's pro forma, construction estimates, and other construction documents as well as if the development meets the city's strategic goals for development and growth to determine if a TIF should be granted.

### Are all TIF Districts granted for the full duration?

Cities strive to provide the minimum amount of assistance necessary in order to get the project completed. This leads to many districts being capped at a dollar amount which reduces the number of years that a TIF lasts.

### What are the benefits to the city in granting a TIF?

There are numerous benefits that can be realized by granting a TIF. All TIF districts increase the tax capacity of the city. Economic Development Districts create new jobs and diversify our economy. Redevelopment Districts remove a blight from the neighborhood and help drive new development. Housing Districts provide for affordable and needed housing for a city.

## MAYOR

Tom Kuntz

## COUNCIL MEMBERS

David Burbank

Nathan Dotson

Jeff Okerberg

Kevin Raney

Greg Schultz

Brent Svenby

Doug Voss



# **EXTENSION CORD USE & SAFETY**

photo from ghblp.org

Not enough cord for your lamp or radio to reach the nearest outlet? Just plowing through the junk drawer for an extension cord? This may not be a good idea. Extension cords can be very helpful in delivering power right where we need it. However, regardless of the gauge or rating of the cord, an extension cord is a temporary solution, and is not meant to be used as a long-term extension of your household's electrical system.

Roughly 3,300 home fires originate in extension cords each year, killing 50 people and injuring 270 more. Extension cords can overheat and cause fires when used improperly, so keep these important tips in mind to protect your home and workplace.

Using extension cords:

- Do not plug multiple cords together
- Do not place cords under rugs or furniture
- Do not drive over or step on extension cords
- Do not power multiple appliance with one cord
- Do not use indoor extension cords outside
- Do not bend coil cords when in use
- Do not remove grounding pin
- Cover unused cord receptacle with plug covers
- Stop using cord if it feels hot to the touch
- Do not nail or staple extension cords to walls or baseboards
- Always use a 3-prong cord for appliances and/or tools that have a 3 prong plug

Caring for extension cords:

- Unplug extension cords not in use
- Store cord indoors
- Throw away frayed or damaged cords
- Disconnecting from outlet: unplug from the plug not from pulling the cord

When selecting the right cord for the job, make sure you purchase a cord approved by an independent testing laboratory. This will be noted by a tag on the cord. Cords will typically come with instructions. Read the instructions for information about the cord's correct use and power draw. Choose a cord that is rated to handle the amps of the devices you are plugging into the cord. Keep in mind length of cord matters, longer cords will not handle as much current as shorter cords of the same wire gauge.

Your general awareness and attention to these tips will help keep you and your family safe.



# CONSERVATION TIP\$

Taking a vacation this winter? Remember to turn your water heater to "vacation" mode before you leave. This will keep your utility costs down while you are away from home. Marking where the dial is set before turning it back will make it easy to set it back to temperature when you return home.



**Free  
Empty Wooden  
Wire Reels  
and Pallets**

**You Haul**

**Contact OPU Operations  
Manager, Jamey Krogh  
at 507-456-5087 to  
arrange pick-up**

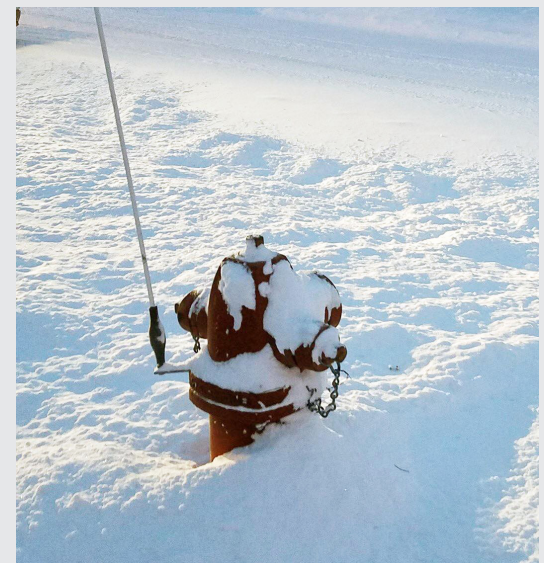
OPU is not responsible for any injuries  
associated with removing/loading reels

## ADOPT A FIRE HYDRANT

**IN AN EMERGENCY, EVERY  
SECOND COUNTS**

- Remove snow and ice from the hydrant
- Clear a 3 foot wide perimeter around the hydrant for firefighters to work
- Clear a path from the hydrant to the street

In case of a fire, firefighters need to be able to get to the hydrants quickly to protect people and property.



## HIGH UTILITY BILL?

There are several things that can affect your utility bill during the heating season. Here is a few of those:

- Shorter days, less day-light hours
- Colder Temperatures
- Excessive Space Heater Use
- Air Leaks
- Poor Insulation
- Leaving doors open too long



We may not be able to help with shorter days, colder temperatures or children's behaviors, but a Home Energy audit could help you pinpoint other things that may be contributing to higher utility bills.

Visit our website at [www.owatonnautilities.com](http://www.owatonnautilities.com) for more information.



# ICE ON METERS

When your gas meter is covered with ice and snow, it can cause a potentially dangerous situation. If there is snow on your meter, brush it off. If it's covered with ice, give us a call at 451-1616 and we'll take care of it for you.

In addition, snow and ice should be cleared from exhaust and combustion air vents for gas appliances to prevent the accumulation of carbon monoxide in buildings and to prevent operational problems for the combustion equipment. Monitor the accumulation of snow or ice blocking regulator or relief valve vents which could prevent regulators and relief valves from functioning properly. Use caution in cleaning snow from around the piping on service regulator set as it is susceptible to damage that could result in failure of the equipment. Where possible, use a broom instead of a shovel to clear snow off regulators, meters, and associated piping.

As always, if you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616. Don't turn electrical switches on or off or use a flashlight or telephone in the home, because a spark could ignite the gas and cause an explosion.



## Be Smart About Salt

As snow and ice melts it collects and washes surface pollutants into our lakes, streams, wetlands, and groundwater. One of the major pollutants carried into our waterbodies during the winter months is road salt. Once in the water it becomes very difficult to remove the chloride. At high concentrations, it can harm aquatic life and contaminate drinking water.



A recent study found 47 waterbodies in Minnesota that tested above the water quality standard for chloride and estimated Minnesotans dump over 350,000 tons of salt on roadways and parking lots annually.

### How does it get in our water? Two main sources:

1. Winter road application
2. Water softeners

### How to make a difference:

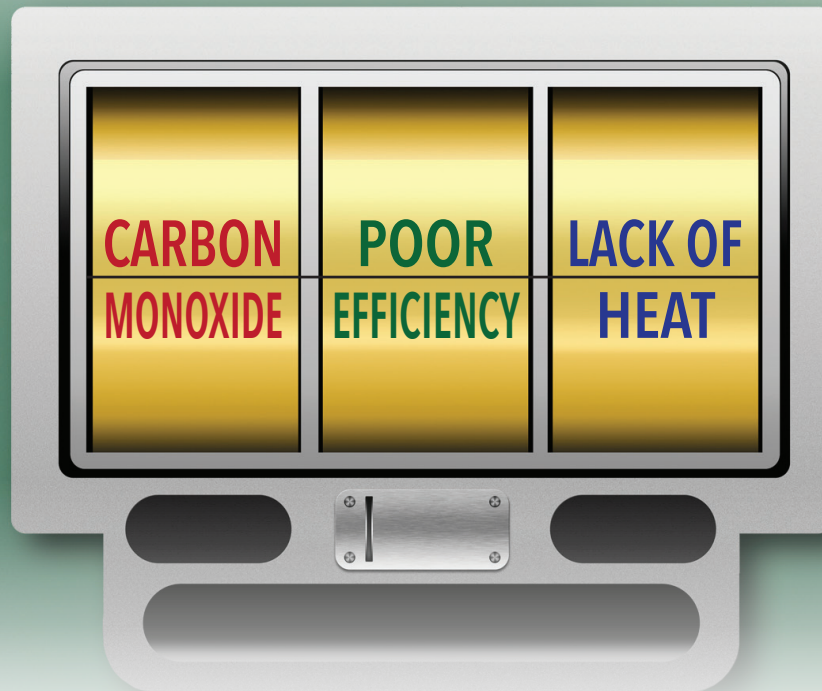
1. Hire a Smart Salting Contractor, visit [pca.state.mn.us](http://pca.state.mn.us) to find certified contractors.
2. Educate your family, friends, and coworkers on the importance of proper and safe use.
3. Apply minimum amount necessary. Never use more than 4 pounds/1,000 sq. ft.
4. Sweep up any excess salt, if visible on pavement it will just wash away.
5. Be patient, more salt does not result in faster melting. Shovel, shovel, shovel.

Learn more about our Stormwater Program at [ci.owatonna.mn.us/stormwater](http://ci.owatonna.mn.us/stormwater) or contact Brad Rademacher, Water Quality Specialist at 507-774-7300 or [stormwater@ci.owatonna.mn.us](mailto:stormwater@ci.owatonna.mn.us).



# REBATES

## DON'T GAMBLE ON YOUR FURNACE OR BOILER!



Make sure your heating system is working properly and efficiently.

Complete a Clean & Tune and apply for a

**\$25 REBATE!**

Visit [www.owatonnautilities.com](http://www.owatonnautilities.com) to learn more and download rebate applications with complete terms and conditions.

**CONSERVE & \$AVE<sup>®</sup>**



INDICIA

P.O. Box 800 208 S. Walnut Ave.  
Owatonna, MN 55060

Office: 451-2480 Service: 451-1616

## OFFICE HOURS:

### Monday-Wednesday:

8:00 a.m. - 5:00 p.m.

### Thursday:

8:00 a.m. - 6:00 p.m.

### Friday:

8:00 a.m. - 4:00 p.m.

### Saturday & Sunday:

Closed

## Payment Options

- Online at [www.owatonnautilities.com](http://www.owatonnautilities.com)
- Automatic Withdrawal; bank account or credit card
- Drive-up drop box located in the parking lot south of building
- Drop box locations at Cash Wise Grocery Store and HyVee Food Store
- Mail
- At Owatonna Public Utilities; cash, credit card, check or money order

## Moving?

Remember to contact the Customer Service Department **ONE WEEK** prior to moving, 451-2480.

**Owatonna Public Utilities will be closed, Monday, January 20th in observance of Martin Luther King Jr. Day.**

**We will reopen at 8:00 a.m. on Tuesday, January 21st.**

*"If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving forward"*

## Gas Leak?

If you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616.



Don't turn electrical switches on or off or use a flashlight or telephone in the home, because an electrical spark could ignite the gas and cause an explosion.



Your opinion matters to us. Please take a few minutes to tell us how we did by visiting our website at [owatonnautilities.com/customersurvey](http://owatonnautilities.com/customersurvey) or simply scan the QR code above.

## From the Editors

We welcome your comments and suggestions for future issues. Feel free to give us a call at 451-2480 or send an email to [tammy.schmoll@owatonnautilities.com](mailto:tammy.schmoll@owatonnautilities.com).



[WWW.OWATONNAUTILITIES.COM](http://WWW.OWATONNAUTILITIES.COM)