



OWATONNA
PUBLIC UTILITIES

VOLUME 27 | ISSUE #2

CUSTOMER UPDATE



FEATURING: ELECTRIC VEHICLES

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OPU MEMO



Roger Warehime,
Director, Field Operations

OPU Commission

Mr. Kim Cosens
Mr. Dale E. Simon
Mr. Matt Kottke
Mr. Kent Rossi
Mr. Randy Doyal

I, along with General Manager Mark Fritsch and Mayor Tom Kuntz, recently attended the MMUA (Minnesota Municipal Utilities Association) legislative conference in Saint Paul. At this annual conference we discuss legislative issues and meet with our representatives to inform them how various proposed or potential legislation may affect our customers. More often than not, our general theme has to do with preserving local control and avoiding “one-size-fits-all” policies.

Only Nebraska and Iowa have more municipal electric utilities than the 125 municipals serving communities here in Minnesota. But while there are many municipal utilities, most of them are much smaller than OPU. Nearly 75% of the state’s municipal utilities have fewer than 2,500 customers.

Unlike investor-owned utilities which are regulated by the Minnesota Public Utilities Commission, municipal utilities are locally governed either by the city council, or as in our case, by a local utility commission. Commission meetings are open to anyone who wishes to attend, and financial information is publicly available. Construction contracts are awarded under public bidding law. Our tradition of local governance and open, accountable operation works just as well today as it has for generations.

This year, the challenge to local control is coming from wireless service providers. Across the nation, they are making legislative and regulatory efforts to restrict local governments from regulating access to their utility poles, traffic signals, and streetlights for attaching antenna equipment to increase wireless service. The telecommunications companies are pushing to cap local application fees, impose strict timelines for local governments to approve permits as well as provide

unrestricted access to public right-of-ways.

Uniform processes may sound appealing to policymakers, especially given the desire to increase the quality of wireless service across the state. However, each municipality has zoning, land use, and technical considerations that warrant local authority of the use of their infrastructure. For example, utility staff is likely needed to determine the most effective way to install and provide power to the equipment. Different pieces of municipal infrastructure may require different adaptations for siting wireless attachments.

We have a track record of working well with the wireless service providers to meet their needs while safeguarding our infrastructure and the needs of the community, including aesthetic considerations. For example, we worked with Verizon to install the small cell distributed antenna system located on a special light pole on the north side of the high school. We involved the school district as well as the city in the process to make sure that the installation was acceptable to all parties.

While we are great supporters of improved internet access, the expansion of wireless service cannot come at the expense of local responsibility and control. We will continue to stand up for local control whenever we believe it is in the best interest of our customers.



Small Cell Distributed Antenna System at the Owatonna High School.

CONSERVATION TIP\$

According to the EPA, a leaking faucet can waste 3000 gallons of water in a year, enough for 180 showers! Before replacing a leaking faucet, check for a worn gasket or washer. Replacing a worn gasket will often fix the leak.

For more energy savings tips go to www.tinyurl.com/OPU-Tips

<https://www3.epa.gov/watersense/pubs/fixleak.html>



CITY SPOT

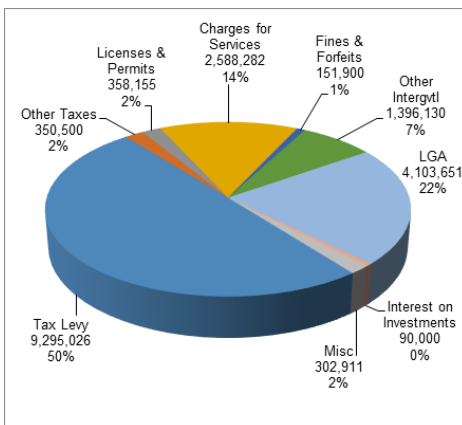
HIGHLIGHTING: COMMUNITY DEVELOPMENT

OWATONNA CITY COUNCIL



Each year the City develops a budget or financial plan for the coming year. This is an important responsibility to ensure local government services are provided and adequately funded. The City of Owatonna provides many services to the citizens of Owatonna. The City of Owatonna provides full police and fire protection; the construction and maintenance of streets and other infrastructure; storm water management; library services; building inspection; economic development; airport; recreational activities including the Tennis & Fitness Center and Brooktree Golf Course; and maintenance of parks and trails. The City's 2017 general fund budget is \$18,636,555.

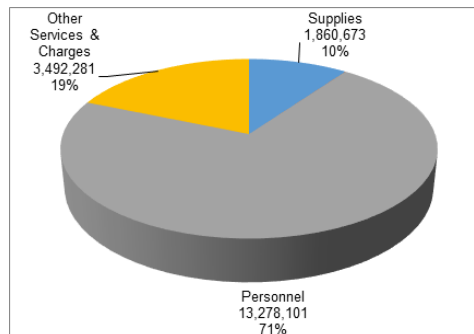
The City's revenues are derived from many different sources. The chart below shows the different components:



The largest revenue source is the property tax levy. The City attempts to maximize the other revenue sources to aid in reducing the reliance on the property tax levy. Several of the revenue items are impacted by the economy (i.e. building permits, recreation user fees, and interest on investments). The Other

Taxes item consists of franchise fees. The Other Intergovernmental revenue comes from the state, the county, and the school district for items such as road maintenance, library services, and school resource officers to name a few. The City also aggressively pursues grant opportunities when available.

The City's expenditures are broken into three categories. These include personnel costs, supplies, and other services and charges. The 2017 budget includes an investment in fire safety equipment and implementation of a new pay structure. The following chart shows the overall breakdown between these three categories.



The City has been mindful of the impact of the economic downturn on its citizens and has strived to keep costs in line and the tax levy increases to a minimum. The current year levy increase is 5.73%. This compares to an average increase over the last eight years of only 2.16% per year.

Much more detailed information can be found in the complete budget document which is available on the City's website under the finance department or at the Owatonna Public Library. The City welcomes questions and comments throughout the year on the current budget or the upcoming budget year.

MAYOR

Tom Kuntz

COUNCIL MEMBERS

David Burbank

Nathan Dotson

Jeff Okerberg

Kevin Raney

Greg Schultz

Brent Svenby

Doug Voss

Are you looking to give back to the community? Looking for a rewarding job in the City of Owatonna? The Owatonna Fire Department will be starting a hiring process for Paid-On-Call Firefighters. Contact Chief Mike Johnson if you have questions regarding the upcoming openings. The positions will be posted on the City of Owatonna's website www.ci.owatonna.mn.us

The City of Owatonna will also be posting seasonal/temporary positions for spring and summer positions starting in March. If you or someone you know are interested in working for the City in a seasonal/temporary position, please direct them to the website www.ci.owatonna.mn.us. Under the employment tab you may fill out a job interest card. The job interest card will inform the City of positions you are interested in, when positions become available you will be notified by e-mail of the opening. Please feel free to contact Lynn Gorski, Human Resource Director if you have any questions about current or future positions within the City of Owatonna.



ELECTRIC VEHICLES

The information for this article is provided by Jukka Kukkonen, Founder of PlugInConnect, a Minnesota based electric vehicle market and technology consulting firm.

This is the second of a two part series. The market for electric vehicles (EVs) has been developing rapidly over the past several years. As the market matures, it has the potential to make a dramatic impact not only on the auto industry but electric utilities, consumers, and the entire electric grid. Last month we looked at which market forces are shifting EVs into DRIVE. This month we will focus on which are keeping the market in NEUTRAL, and which are moving things in REVERSE.

Shift into NEUTRAL

When electric vehicles were first coming to market there was an expectation that public charging infrastructure would play a big role in how people use their EVs. We have now learned that the vast majority of people just charge their cars at home and, where the option is available, at work, so generally speaking public charging infrastructure does not play a major role in adoption. One exception is for intercity travel, where an expanding DC fast charging network will continue to play an important role. Tesla has led the way by building out its own Supercharger network and others are following.

To this point, it's been tough to get dealers to embrace selling EVs. It may be because salespeople are unfamiliar with the product or because they're not given an adequate stock of cars to truly provide options for customers on their lot. But some dealers are starting to realize the opportunity. In Minnesota, we are using the strategy of elevating sales people by publicizing those who are most helpful for customers. There is an all-electric room at the Twin Cities Auto Show that gives auto dealers a chance to showcase their EV options to customers who might otherwise have never considered many of those models.

Shift into REVERSE

Change is really, really hard for most people. We've been driving internal combustion engines for more than 100 years. People grew up seeing their parents and grandparents refueling at gas stations, not repowering them in their own garage. It is sometimes hard to understand how new things can make your life better and that process takes time.

Fortunately, technology is developing fast and people are starting to understand how these developments can improve their life on so many levels.

New technology will naturally invoke skepticism and be questioned by existing players in the marketplace. The burden of proof is on the new technology. Every small negative point will be magnified and questioned. Traditional technology might have very similar and even worse features, but no one is pointing those out, since we have already learned to live with those and likely don't even realize that they exist. Fortunately, EVs have already proven their capability in a very short time and the trend lines are clear. The burden of proof is starting to shift and EV advantages are becoming the new topic of discussion.

As mentioned previously, most original equipment manufacturers (OEMs) have been pulled into the world of electric vehicles dragging their feet. Some have dipped their toes, but aren't really ready to jump in the deep end. Of the 20 EVs that have a true market presence, roughly half are only available in the ZEV states – essentially just fulfilling a minimum requirement. In some cases, even for those that are technically available, the stocking numbers are so low that you can't really find one. Many new models look really promising but will only truly become an option for consumers if they are delivered widely to the market. OEMs talk the talk, but customers need to see them walk the walk. No Plug, No Deal!

The electrification of the transportation system essentially means that we are moving from analog to digital. Much in the same way low film prices couldn't have kept people from moving to digital cameras, low gas prices won't be able to stop the transition to electric cars. People who experience electric driving are not turning back, no matter how cheap gasoline may be. The general public just needs more information and opportunities to experience driving EVs. Gas will always boom and bust with global markets, but the cost of electricity is much more stable – especially as more and more of the electricity we use comes from fuel free sources like wind and solar.

Next month in our memo section we will address some of the questions that have been posed to us regarding electric vehicles.

WSLPP



The Water Service Line Protection Program (WSLPP) provides owners of residential properties an option for affordable protection against the significant costs of repair or replacing leaking, damaged or frozen water service lines. In addition to providing a valuable service to Owatonna Public Utilities' (OPU) customers, the program is intended to minimize disruption and public hazard due to leaks which would not otherwise be repaired in a timely manner.

Single-family homeowners and residential building landlords are eligible for the WSLPP. All homes must be served by a residential water service line with a diameter of 1 inch or smaller and must be attached to a permanent foundation.

Enrolled participants are charged \$1.99 per month, which is billed as part of their water services. Fees are subject to change and will be reviewed annually.

99.2% of eligible customers are enrolled in the WSLPP. There were a total of 46 reported issues in 2016, totaling \$40,500 in contractor repair costs. The average water service line repair costs are \$2,700 and water meter valve replacement cost average is \$350.

Of the 46 reported issues, 26 were water meter valves, 8 were emergency meter valve, 9 water service lines and 3 were not covered under the plan.

If you are interested in learning more about the WSLPP, please visit www.owatonnautilities.com or contact us at 507-451-2480.

UTILITY SCAMS 101

The Scam

Utility phone scams typically involve callers claiming to represent a utility company attempting to trick people into paying them money by threatening to turn off their services. The scammer usually insists the victim pay immediately with a pre-paid debit card (i.e. Green Dot MoneyPak card), which provides them easy access to your money.

What To Do?

Hang Up. If there is any doubt about the authenticity of a caller, hang up and call OPU directly to verify your billing and payment status.

Report it. Contact law enforcement and OPU to report theft or attempted theft due to scams.

Beware. Never give out personal information, debit/credit card numbers, or wire money as result of an unexpected or unsolicited call.

Get it in Writing. Customer will typically be contacted several times via U.S. Mail about past due bills before their service is turned off.

Know your Options. OPU provides many options for payment and never REQUIRE the use of a pre-paid debit card.



OPU HIGHLIGHT



Pictured (l to r): Phill Parker, Dan Cammock, Jeff Wencil, Byron Brady and Mike Nelson

Although you see them around town doing their most visible task every spring, OPU's gas and water crew plays a critical role in much more of the utility than flushing fire hydrants.

One of these critical tasks is installing new gas services to new homes and businesses in Owatonna. The gas and water crew is very proficient in installing these services without having any interruption to other customers. This is important to ensure other customers do not lose service even temporarily for water heating, cooking, or building heat.

Along with installing new gas services and mains, the gas distribution system is maintained, inspected, and serviced by this crew. This includes walking sections of the gas system ensuring no leaks are present in the system as well as responding in under 10 minutes to any reported gas leak. In August before school starts, the gas and water crew goes to all the schools and churches to ensure no natural gas leaks are present at the meters.

Another important role of the gas and water crew is the maintenance of the water system in Owatonna. Water main breaks happen more frequently during the winter as the frost goes in or out of the ground. Late in 2016 the crew repaired a water main break when it was -20 degrees outside! They don't leave the scene until the repair is completed and customers have their water back.

With their quick response time and their commitment to being there whenever they are needed, regardless of the conditions, OPU's gas and water crew is vital to the community. Thank you for all you do!

CARBON MONOXIDE

Getting to know your carbon monoxide (CO) detector can mean the difference between knowing when to replace your batteries, when to replace your detector, or when to get out of your house.

Your CO detector will start beeping when its batteries are low and require replacing. This alarm is different than the alarm that sounds when it detects dangerous levels of CO. It is recommended that you replace the CO detector battery once a year, or more frequently if the low battery alarm sounds.

New CO detectors also have an end of life alarm. Although many manufacturers already included it, the law required it starting in 2009. This alarm will be different than the low battery alarm and will not go away with fresh batteries. Most CO detectors have a 10-year life and should be replaced at this time.

Each CO detector's alerts may be slightly different. Please take a minute to learn what your CO detector's alarms mean. According to the manufacturer Kidde, the alarms your detector uses are commonly printed on the back of your detector. Getting to know these alerts will help you to identify when the alarm is actually detecting CO in your home or business. Remember, if anyone is showing signs and symptoms of CO poisoning including drowsiness, headache, or nausea, get out and call Owatonna Public Utilities!



Contaminants of Emerging Concern

The Minnesota Pollution Control Agency (MPCA) has recently completed a two-part study that first, examined 50 Minnesota rivers and streams for presence of pharmaceuticals and other commercial chemicals. Second, they investigated how the detected chemicals are likely affecting fish and wildlife.

Study Findings:

- 47 of the 50 lakes were found to contain at least 1 chemical
- 38 of the 125 chemicals analyzed were detected at least once
- 78% of sample locations detected lopamidol, an X-ray contrast agent
- 48% of sample locations detected antidepressants
- 24% of sample locations detected antibiotics
- Other medications found include diabetes treatment, diuretics, and anticonvulsive medicine
- Other chemicals detected include DEET, bisphenol A, and benzotriazole

According to the MPCA Study, these chemicals can cause changes in gene expression, which could have potential to cause adverse physiologic or reproductive effects to aquatic organisms.

What You Can Do:

Proper disposal is one of the best ways to keep pharmaceuticals out of Minnesota waterways. Steele County residents can anonymously drop off unused medicine, as well as illegal drugs, at the Law Enforcement center in Owatonna and Blooming Prairie City Center.

For more information regarding Stormwater Management, please contact Brad Rademacher, Water Quality/Stormwater Specialist at 507-774-7300. stormwater@ci.owatonna.mn.us

Energy Education

Saving Energy 101

Thursday, March 9, 2017

5:30pm

Owatonna Public Utilities
208 S. Walnut Ave.

Learn no-cost and low-cost ways to save energy at this House Call Workshop. Attendees are eligible for a House Call Energy Audit for a \$25 co-pay (reg. \$50).

REGISTER WITH:

Stacy Boots Camp
sbootscamp@mncee.org
612.244.2429

Partnering with:



Habitat
for Humanity®
of Steele-Waseca Area



Visit owatonnautilities.com
to learn more about our
House Call Energy Audit program.

CONSERVE & \$AVE

REBATES

CONSERVE & \$AVE®

GET SWEET REBATES!

OPU loves conserving energy and water, so we'll give you sweet rebates for purchasing efficient appliances and equipment! Plus, you'll continue to save on your utility bills.

Your heart will skip a beat when you learn how much you can save! Wink at www.owatonnautilities.com for up-to-date rebate offerings and amounts.





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

Office: 451-2480 Service: 451-1616

INDICIA

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
- 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.



Tom Bovitz Memorial Scholarship

First Prize: \$2,000.00
Second Prize: \$1,500.00
Third Prize: \$1,000.00
Fourth Prize: \$500.00

*For more information
visit our website at
owatonnautilities.com*



Entries due to OPU by March 31, 2017



Tell Us How We're Doing
Your opinion matters to us. Please take a few minutes to tell us how we did by visiting our website at owatonnautilities.com/customer survey 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 schmolli@owatonnautilities.com.

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.



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