

CUSTOMER UPDATE



FEATURING: ENERGY EFFICIENCY PROJECT FINANCING

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OPU MEMO



Roger Warehime,
General Manager

OPU Commission

Mr. Matt Kottke
Mr. Kent Rossi
Mr. Randy Doyal
Ms. Dena Keilman
Mr. Jay Johnson

One of our strategic initiatives in 2020 was to focus on Everyday Leadership. Our definition of an Everyday Leader is someone that thinks more about the needs of others than themselves, speaks with integrity and acts with purpose, positively impacting the lives of others every day. Each month we committed to focus on and practice a specific aspect of being an Everyday Leader.

Our December commitment was "I will appreciate everything that I have and show gratitude while celebrating our progress". This seems to me to be an apt sentiment for this end-of-2020/beginning-of-2021 memo. I have much to be grateful for.

I am grateful for our dedicated staff who is focused on meeting our customers' needs, and I am grateful to our commission who is supportive of our initiatives. I am grateful for all those that came before us and made investments in our systems that we realize the benefits of today. And I am grateful to have the opportunity to be a steward of these systems, continuing to care for them and invest in them for the benefit of those that will come after us. I am grateful for the caring and supportive community that we are a part of. I am grateful for the technology that has allowed us to continue to conduct business even though we are hunkered down and physically separated from one another.

Despite all of the difficulties and challenges that 2020 brought, when I reflect back I have to say that we had a pretty good year here at OPU. Although, over the course of the year, we had 7 employees that needed to quarantine due to being in contact with someone that tested positive for COVID-19, we did not have any employees become ill or test positive.

We completed several key projects that continue to improve the reliability of our systems. Many of these projects were in the industrial park and help to position Owatonna for additional economic expansion. We extended electricity, water, and natural gas to serve the new Costco facility as well as future commercial and industrial customers that will build in the surrounding area. We commissioned a new water pressure zone for the industrial park which provides the needed pressure for fire sprinkler systems in new buildings. We also completed the expansion of our West Owatonna Substation which, in addition to increasing the load we can serve, provides additional redundancy for reliability purposes.

On the residential side, we completed the multi-year joint project with Jaguar (now MetroNet) to install conduit throughout the community. This conduit allows MetroNet to install fiber to any home that wants it, and it allows OPU to move overhead electric facilities underground making them less susceptible to damage from storms (as well as squirrels!). We began installation of meters and communications infrastructure for our AMI (Advanced Metering Infrastructure), a project which will continue through 2021 and into 2022.

We filled a number of open positions in our organization despite being unable to interview in-person. These include Dave Olson who stepped into the role of Director of Finance and Administration when Beth Fondell left to become the CFO at SMMPA and Christian Fenstermacher who became our Director of Engineering and Operations, replacing Ronnie Johnson who will retire in April after more than 37 years at OPU.

We controlled our costs and did not see the loss of revenue that we feared at the beginning of the pandemic. While investor-owned utilities in the state are seeking double-digit rate increases, our 2021 electric and natural gas rates will be the same as 2020. We are increasing our water rates by 4.9%; this is part of a multi-year plan to get our water rates up to the level that our cost-of-service study says they need to be in order to cover our costs and keep the system reliable. Fortunately, water is the smallest part of most customers' overall utility costs. For the average residential customer, there will be an increase of approximately \$10 per year, or \$0.84 per month.

Lastly, I am grateful that, with the development of vaccines in record time, the end of the pandemic is on the horizon, and I look forward to reconnecting to coworkers, friends, and family in-person. I will never take the opportunity to enjoy people's company in-person for granted again.

Airport T-38 Aircraft Display - A Community Landmark

The T-38 aircraft display at the entrance of the Owatonna Degner Regional Airport has been welcoming visitors to the Owatonna community for over twenty years. Thousands of vehicles pass by this truly one of a kind landmark every day on Interstate 35. The story of the display is often relayed to travelers as they stop to stretch their legs, marvel at the display and snap pictures but also may be unknown to newer members of our community.



MAYOR

Tom Kuntz

COUNCIL MEMBERS

David Burbank

Nathan Dotson

Jeff Okerberg

Kevin Raney

Greg Schultz

Brent Svenby

Doug Voss

In 1996, the City of Owatonna acquired one of the jet planes from the U.S. Air Force to be used as a monument at the airport. Static display of military aircraft often serve as "gate guardians" at various military and civilian airfields across the country. The cost of the project, exceeded the City's budget at that time, and the plane was put in storage. The following year, Owatonna resident and business owner R.W. "Buzz" Kaplan proposed that the plane become part of a display to be located outside the former Heritage Halls Museum, which was a quarter mile north of the airport. A "bomb-burst" formation of three aircraft was proposed and two more jets were acquired from Davis-Monthan Air Force Base in Arizona as part of their disposition program. The City of Owatonna completes a loan agreement annually with the National Museum of the United States Air Force for use of the three jets.



The jets were stripped of excess weight and repainted in authentic Air Force Thunderbird colors. The engineers contracted by Mr. Kaplan for the project spent several months creating a design for the display and completing the structural engineering and wind testing. Finally the aircraft were lifted into position in early 1998 at the former museum where they stood until they were relocated to the airport in 2007.

The T-38 aircraft display has become part of the community identity and continues to serve as a signature landmark. With this comes the responsibility to maintain and ensure that the display continues to soar brightly skyward. This year's phased maintenance has been completed and has involved the sandblasting and painting of the three aircraft support derricks. Additionally, a structural review was completed and recommendations to help preserve the aircraft from the elements have been completed. Aircraft #1, #2, and #3 are due for a paint restoration in the near future as well. With continued care and the support of the community, our "gate guardians" will inspire visitors for years to come!



Investing in energy conservation for your home is a great way to start the new year. Energy conservation projects reduce energy waste, lower utility bills, and can increase occupant comfort.

Some energy conservation improvements are quick, cheap, and simple such as replacing light bulbs with LED lights. Other improvements, such as attic air sealing and insulation, are much larger projects. These larger projects provide much greater energy and cost savings, but are also more costly and may require financing. Many types of financing are available to homeowners including banks and credit unions, dealer financing, as well as specific energy conservation financing options.

Dealer financing is often available for upgrades to larger equipment such as heating and cooling systems through the contractor. Dealer financing is very convenient for customers because the contractor becomes the one-stop-shop for your project, no need to work with a separate financing entity. Dealer financing terms and conditions will be different from contractor to contractor so it's best to ask about available financing when getting quotes to compare all options available.

Another very common option to finance energy efficiency projects is working with a local bank or credit union. Working with your bank has the benefit of multiple financing options and working with an existing financial relationship. Dealer and bank financing are well known options, but there are also lesser known programs available for energy conservation financing.



The Minnesota Department of Housing has a Fix Up Loan Program that can be used for many energy conservation improvements including heating and cooling equipment, attic insulation, and water heaters. An advantage of the Fix Up Loan Program is the possibility for reduced interest on certain high efficiency equipment, reducing the overall cost of financing. The program also provides a longer payback term than most financing to reduce the monthly payments. Most information about the Fix Up Loan Program can be found at: www.mnhousing.gov/sites/homeowners/fixup



Center for Energy and Environment (CEE) is another great option for financing options. CEE provides a number of financing options to fit your energy conservation needs, including loans for upgrading the weatherization of your home, upgrading equipment, and even financing for installing renewable energy. More information about CEE's financing options can be found at: www.mncee.org/loans/homes/

These are just a few of the financing options available to customers. Low interest rates, options for most income levels, and extended terms make now the perfect time to invest in the energy efficiency of your home to start reducing utility bills now.



New Rebate!

ECM CIRCULATOR PUMPS FOR BOILERS AND DOMESTIC HOT WATER SYSTEMS

Having a comfortable home is easier with ECM Pumps. They offer intelligent speed control to yield the same flow rate while consuming up to 80 percent less energy than a traditional induction-type circulator! Plus, you'll save money on your purchase with these rebates from OPU:

<100 Watts = \$50

100-499 Watts = \$200

500-750 Watts = \$600

(all rebates limited to 50% of cost)

To download a rebate application with complete terms and conditions, visit www.owatonnautilities.com.

CONSERVE & \$AVE®

DOES YOUR BUSINESS NEED AN ENERGY EFFICIENCY UPGRADE?

PARTNERING in Energy Solutions can help!

Partnering in Energy Solutions connects your business with Energy Solutions Partners (ESPs) to help ensure you are operating efficiently. An ESP will analyze your current energy usage and propose cost-cutting changes and energy efficient upgrades and improvements.

For these projects, financing is available to qualified customers. Get 0% interest, up to \$25,000 and make the payments on your utility bill over one to two years!

Visit www.owatonnautilities.com to download a Partnering in Energy Solutions brochure with detailed program information, or call 507.451.2480 to get started.



CONSERVE & \$AVE®



JUST A REMINDER, KEEP YOUR OUTDOOR METERS FREE OF SNOW AND ICE

In Minnesota, snow and ice tend to cover everything. 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.



Deicing salt accounts for approximately 75% of chloride found in our waterways. During precipitation events and snowmelt, stormwater gathers excess salt and washes it into our nearby streams and lakes. The remaining 25% of chloride in surface and groundwater is from the Wastewater Treatment Facility from water softeners. Chloride in water has major negative impacts to wildlife, the environment, and us.

Knowing how much salt to use and the best time to apply is critical to keeping the balance between safe roads, driveways, parking lots, and sidewalks and a healthy sustainable environment.

Did you know? 1 teaspoon of salt pollutes 5 gallons of water!

Ways to make a difference:

1. Hire a Smart Salting Contractor, visit 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. Less is more.
4. Sweep up any excess salt. Remember if it is visible on pavement, it will just wash away.
5. Be patient, more salt never results in faster melting. Shovel, shovel, shovel.
6. Make sure to check your water softener for proper ratios or stop using a water softener all together.



Learn more about our Stormwater Program at ci.owatonna.mn.us/stormwater or contact Brad Rademacher, Stormwater/ Water Quality Specialist at 507-774-7300 or stormwater@ci.owatonna.mn.us.

REBATES

WHEN THE WEATHER
OUTSIDE IS FRIGHTFUL...



HEATING
EQUIPMENT
REBATES ARE
DELIGHTFUL!

Get great rebates on your purchase and installation of energy efficient heating equipment and building shell improvements.

EQUIPMENT REBATES

- Air Source & Ground Source Heat Pumps
- Boilers
- Boiler ECM Circulator Pump – NEW!
- Electronic Ignition Hearth
- Furnaces
- Furnace/Boiler Clean & Tune-Up
- Furnace Fan Motors
- Smart Thermostats
- Water Heaters

BUILDING SHELL REBATES

- Attic Insulation
- Replacement Doors
- Additional building shell rebates are available to customers who complete a House Call Energy Audit. Call us at 507.451.2480 to schedule your audit.

Visit www.owatonnautilities.com to learn more and download rebate applications with complete terms and conditions.

CONSERVE & \$AVE[®]

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.smarthub.coop
- Phone at (507) 451-2480
Option 2 or 1-888-228-2398
(Available 24/7)
- Automatic Withdrawal; bank account or credit card
- Drive-up drop box located in our parking lot
- Drop box locations at CashWise and HyVee Food Store
- Mail to P.O. Box 629, Owatonna, MN 55060
- ACH bank draft sent directly from your bank

Moving?

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

ADOPT A FIRE HYDRANT



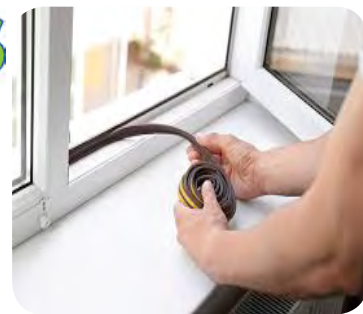
IN AN EMERGENCY EVERY SECOND COUNTS

- Remove snow and ice from the hydrant.
- Clear a 3 ft. 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 hydrant quickly. Keeping the hydrant clear of snow also helps the snowplow drivers know where they are to help prevent damage to the hydrant.

CONSERVATION TIP\$

Inspect the weather stripping on your doors. Worn weather stripping with even the smallest gaps can act like a 2" hole in your door allowing cold air to pass freely into your home. Replacing worn weather stripping is easy to do and will save you money on your heating bills.



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.

