

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Kottke, Cosens, Schreiner, Stansberry (by phone) and Simon. Also present were General Manager Fritsch; City Administrator Busse; Director, Operations & External Relations Warehime; Manager, Human Resources Madson; Executive, HR & Administration Coordinator Schmoll; and Marketing/Energy Conservation Officer Hendricks. Other guests included customer, Roger Wacek.

Commissioner Simon led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of January 26, 2016 were presented to the Commission. Commissioner Simon moved to approve the Minutes as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee: Commissioner Simon reported the Finance Committee met, reviewed and approved Vouchers totaling \$4,840,786.53. The financial statements are still preliminary and there were not any work orders to approve this time.

Personnel Committee: Commissioner Cosens reported the Personnel Committee met and were given a staffing update which included the Customer Service position that has been filled and an Apprentice Line worker position that is currently being advertised. He further reported on Tammy's Tidbit which provided information on the establishment of Public Employers Retirement Association in 1931 and the MPUs involvement beginning in 1947.

City Administrator's Report

City Administrator Busse reported her and Mayor Kuntz have been presenting the State of the City address to various groups and organizations around the city. The presentation consists of recapping 2015 and reporting on 2016 initiatives. She further reported the City is working on their 3-year strategic plan, as well as their 10-year outlook. She complimented OPU on the article in the newsletter regarding the city's water supply. She noted it was a question that came about during one of the State of the City presentations.

Water Tapping Inspection Policy

General Manager Fritsch presented the Water Tapping Inspection Policy, policy #403.21, to the Commission. He noted the old policy was approximately 20 years old and was outdated. This new policy has been updated to include changes regarding tapping inspections. He noted OPU no longer does the water tapping of the main. This work is now done by a contractor; but, OPU still needs to do the inspection of the tap. Tapping of mains are mainly done during new construction projects. Commissioner Simon moved to approve the Water Tapping Inspection policy as submitted with changes. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Abandoned Service Policy

General Manager Fritsch presented the Abandoned Service Policy, policy #490.12, to the Commission. He noted, this policy, too, was out of date. The updates to the policy allow OPU the flexibility to determine if a valve remains in the main once a service is abandoned or is removed, including the curb stop. After discussion, Commissioner Schreiner moved to approve the Abandoned

Service policy as submitted. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of January 31, 2016 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the January 2016 scorecard. Marketing/Energy Conservation Officer Hendricks presented to the Commission on the Conservation Improvement Program (CIP). He noted, OPU is required by the State of Minnesota to meet specific energy conservation goals and discussed some of the various programs OPU uses to meet these goals. One specific program OPU participates in is the OPower Home Energy Reports. Mr. Hendricks discussed the benefits of the Home Energy Reports, how the savings are calculated, and how they help us fulfill our energy savings goal requirements. He also discussed some of the challenges to the CIP program, including deemed savings challenges, newer efficiency standards, lagging natural gas savings, lighting saturation, and regulatory changes among others. General Manager Fritsch discussed initiatives SMMPA is participating in to help with conservation goals, as well.

General Manager/Staff Reports

General Manager Fritsch reported at this time we do not have a method to distributed email earning statements to the Commission without whitening out the sensitive information, and scanning and sending that way. The Commission agreed to not have the earning statements sent to them. They will be able to see their earnings information by viewing their bank accounts.

General Manager Fritsch updated the Commission on the CEO Conference he attended in Arizona. Some of the topics discussed at the conference included the energy revolution moving away from carbon based energy, cyber security, and the global disruption of energy and its price swings.

General Manager Fritsch updated the Commission on the over-voltage incident. He reported there were only two customers affected totaling approximately \$33,000. OPU has put steps in place to ensure human error does not result in this type of incident in the future. One of the customers affected is also looking at various options to protect their equipment should an incident of this type happen again.

General Manager Fritsch reported The Energy Authority (TEA), who will be doing consulting work for us on our natural gas purchasing, was in house to look at our current gas ordering practices. They have access to larger volumes of gas, more sophisticated equipment and contracts for hedging which should result in more stabilized natural gas prices.

Marketing/Energy Conservation Officer Hendricks distributed a copy of the next newsletter article to the Commission discussing lead levels in OPU's water and the safety precautions OPU practices to ensure safe drinking water for the whole city. Commissioner Cosens inquired if OPU is able to reduce, even further, the level of fluoride they put in the water. Director, Operations & External Relations Warehime replied, in Minnesota, State regulations mandate us to maintain a certain fluoride level in the water.

Commission Roundtable

No Commissioners present had anything additional to add.

Audience Comments

Customer, Roger Wacek, discussed with the Commission his thoughts on renewable energy, conservation, efficiency, importing of energy and economic development.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:59 p.m.

Respectfully submitted,

Tammy Schmoll,
Executive, HR & Administration Coordinator