

The Owatonna Public Utilities Commission met in regular session in the training room of the Owatonna Fire Department. Present were Commissioners Schreiner, Cosens, Ihrke, and Simon. Absent was Commissioner Stansberry. Also present were General Manager Bruno; Director, Financial & Administrative Services Fondell; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Power Production Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Executive Assistant Schmoll; and Accountant Teresa Hottman.

Commissioner Ihrke led the Pledge of Allegiance.

### **Minutes**

The Minutes from the February 22, 2011 meeting were presented to the Commission. Commissioner Cosens moved to approve the Minutes as submitted. Commissioner Simon seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Finance Committee – Commissioner Cosens reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$5,555,588.85, one budgeted work order and two work order addendums.

Personnel Committee – Commissioner Schreiner reported the Committee did not meet, but will be meeting on April 21, 2011 at 11:45 a.m. for the General Manager's review.

### **City Administrator's Report**

City Administrator Busse was not present, so there was no report.

### **Flood Mitigation Grant Agreement**

General Manager Bruno asked the Commission for permission to insert an item on the agenda for a Flood Mitigation Grant Agreement between the Owatonna Public Utilities and the State of Minnesota Department of Natural Resources. He explained the grant is for flood mitigation of wells 3 and 4. The DNR will pay for half of the cost of the mitigation up to \$300,000.00. Staff is recommending approval of the resolution. Commissioner Simon moved to approve the resolution as submitted. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

### **Hydrant Connections Policy**

The Hydrant Connections Policy, Policy #602.10 was presented to the Commission. Director, Financial & Administrative Services Fondell explained the policy is being updated due to a couple of factors. First, the last time the policy was updated was 1997. Second, with the new billing system, existing processes are being looked at to try to make the process easier and more automated. Also, the language was made more consistent and an inflation factor was built in. Director, Financial & Administrative Services Fondell gave a brief explanation of the policy and General Manager Bruno stated an example of what type of situation the policy would be applied to. After discussion,

Commissioner Cosens moved to approve the policy as presented. Commissioner Ihrke seconded the motion. All Commissioners voting Aye, the motion passed.

### **Contributed Services**

The Contributed Services report as of February 28, 2011 was presented to the Commission. The Commission signed the report.

### **General Manager/Staff Report**

General Manager Bruno presented an agreement to the Commission amending a previous amendment to the Purchase Power Agreement relating to PURPA regulations in regards to interconnections/co-generation projects that are under 40 kW. The State regulations provide that utilities must purchase power generated from customer-installed qualified equipment. Those regulations go against the Purchase Power Agreement OPU has with SMMPA, so therefore, an amendment was adopted to include those regulations. This new amendment simplifies the metering requirements SMMPA requires OPU to have in place for reporting the amount of energy purchased from a customer's qualified equipment. After discussion, Commissioner Schreiner signed the amended agreement.

General Manager Bruno reported staff inquired with SMMPA if they would be interested in working with OPU to speed up the process of installing additional generation in Owatonna if OPU applied money acquired from flood damage towards the project. Mr. Bruno reported the SMMPA staff was interested in pursuing the issue and will discuss with the SMMPA Board at their April meeting. OPU staff would like to see the additional generation located downtown to replace what was damaged in the flood and provide better reliability to the whole town.

General Manager Bruno reported SMMPA CEO, Ray Hayward, has announced he will be retiring on October 8, 2011.

Manager, Energy Management & External Relations Warehime presented and discussed the bi-annual rate comparison.

Director, Engineering, Electric & Meter Services Johnson asked the Commission to consider bonding for additional generation if the need arises. Mr. Johnson discussed the MISO market and the benefits of having additional generation in Owatonna.

Director, Financial & Administrative Services Fondell reported the Auditors will be in house the week of April 11<sup>th</sup>.

Manager, HR, Safety, Risk & Loss Control Madson reported the position of GIS Engineering Technician has closed. 60 applications were received and we will be interviewing 5 outside candidates.

### **Commission Roundtable**

Commissioner Ihrke – Nothing.

Commissioner Cosens – Would like the Mayor to give an update on his trip to Washington, D.C. for the APPA Legislative Rally.

Commissioner Simon – The Mayor stopped by to thank the Commission for partnering with the City on the land purchases.

Commissioner Schreiner – Nothing.

**Adjournment**

There being no further business to come before the Commission, Commissioner Cosens moved to adjourn the meeting. Commissioner Simon seconded the motion. All Commissioners voting Aye, the meeting adjourned at 4:43 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive/HR Assistant