

The Owatonna Public Utilities Commission met in regular session in the Morehouse Room at the Owatonna Public Utilities. Present were Commissioners Schreiner, Kottke, Cosens and Simon. Absent was Commissioner Stansberry. Also present were General Manager Fritsch; Director, Financial and Administrative Services Fondell; Director, Customer Service, Conservation, Generation & Substations Green; Director, Engineering Johnson; Director, Field Services & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Supervisor, Meter Services Pelot; Executive/HR Assistant Schmoll; and OPU employees Jon Blough, Brian Clausen, Jared Hendricks and Brian Kelly. Also present was Mayor Tom Kuntz.

Director, Customer Service, Conservation, Generation & Substations Green led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of February 24, 2015 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 Simon reported the Finance Committee met, reviewed and approved vouchers totaling \$5,722,155.50. He further reported 5 work order additions were approved for existing budget items.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and received a staffing update as well as discussed the upcoming union negotiations.

City Administrator's Report

City Administrator Busse was not present to give an update. However, Mayor Kuntz thanked the Commission for the opportunity to allow him to continue to represent OPU and the City of Owatonna at various events through MMUA and APPA. He reported on his recent trip to Washington, D.C. to attend the APPA Legislative Rally. He updated the Commission on various topics being discussed by the legislators at this time. Some of these topics include tax exempt financing, electric grid security, and EPA's Clean Power Plan. The Commission thanked Mayor Kuntz for attending these conferences and for his update.

Contributed Services

The Contributed Services report as of February 28, 2015 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the February 2015 scorecard. Notable items included changes to the rate comparison study. Marketing/Energy Conservation Manager Jared Hendricks discussed OPU's position on the study and noted we jumped to the top position in the gas utility due to the high natural gas prices still being included in this survey. Those high numbers should be off the next survey which should result in OPU's position dropping some. Commissioner Cosens inquired why the natural gas prices did not affect all utilities on this survey the same. Director, Customer Service, Conservation, Generation and Substations Green and Director, Financial and Administrative Services Beth explained what the market natural gas prices were doing at the time, OPU's hedging strategy and discussed the two delivery points where OPU's natural gas comes from

noting one delivery point's costs are higher than the other so we try to purchase less natural gas from that delivery point.

General Manager/Staff Report

General Manager Fritsch reported the Owatonna Energy Station (OES) was approved by the SMMPA Board of Directors at their March meeting. He further noted SMMPA is looking at different solar opportunities as well as transmission opportunities.

General Manager Fritsch noted the APPA National Conference is being held in Minneapolis in June. He noted if any Commissioners are interested in going to please let Executive/HR Assistant Schmoll know and she will take care of registration. Mr. Fritsch noted he will be presenting at the conference regarding OPU's safety success story.

General Manager Fritsch updated the Commission on the Repurposing Project. He noted work continues on the entrances. There is still some code compliance issues being addressed as well as artifacts are being put together to be on display. Mr. Fritsch noted the Open House is scheduled for June 18th. Commissioner Cosens inquired as to when the parking lot will be finished. General Manager Fritsch replied it will be done once the frost is out of the ground.

Director, Financial & Administrative Services Fondell reported the Auditors will be in-house all next week and we expect it will go smoothly. Mrs. Fondell reported to the Commission an issue with the phone systems which was a result from some work being done at the City of Owatonna.

Director, Engineering Johnson reported each of his Engineers will give an update to the Commission regarding OPU's electric, water and natural gas systems. Electric Engineer Brian Kelly updated the Commission on OPU's electric system and some future projects. Gas Engineer Jon Blough updated the Commission on OPU's natural gas system as well as some current and future projects. And, Water Design Engineer Brian Clausen updated the Commission on OPU's water system and upcoming projects.

Commission Roundtable

Commissioner Kottke thanked the Engineers for their presentations and noted they were well done. Other than echoing Commissioner Kottke's sentiments, no other Commissioners had anything to add.

Adjournment

There being no further business to come before the Commission, Commissioner Simon moved to adjourn the meeting. Commissioner Kottke seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:14 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant