

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Ihrke, Schreiner, Stansberry and Simon. Absent was Commissioner Cosens. Also present were General Manager Fritsch; Director, Financial & Administrative Services Fondell; Director, Engineering, Electric & Meter Services Johnson; Director, Gas, Water & Generation Green; Manager, Energy Management & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Executive/HR Assistant Schmoll; and Accountant Teresa Hottman. Also present was Mayor Tom Kuntz.

Manager, HR, Safety, Risk & Loss Control Madson led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of February 28, 2012 were presented to the Commission. Commissioner Simon moved to approve the Minutes as presented. Commissioner Stansberry 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 in the amount of \$5,081,424.17. There was one work order addendum for \$3,000 for additional costs associated with new meters. The addition was due to a miscalculation in the overhead calculation and more work being done in switching out large meter sets to the industrial customers.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee did not meet; however, parameters have been set for the general manager's review. Commissioners were instructed to let Manager, HR, Safety, Risk & Loss Control Madson know of dates available for the GM review.

City Administrator's Report

City Administrator Busse was not present to give a report.

Parallel Generation Rate Policy

General Manager Fritsch presented the draft Parallel Generation Rate policy to the Commission. Manager, Energy Management & External Relations Warehime explained this is a new policy, required by state statute, to allow provisions for customers who install their own qualified renewable energy systems to get paid back for electricity they produce in excess of what they use. Mr. Warehime explained there are three options available to customers and discussed each option. The policy will be represented to the Commission for approval at their next meeting.

Contributed Services

The Contributed Services report as of February 29, 2012 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Fritsch noted dates have been set up for Union negotiations.

General Manager Fritsch distributed and discussed OPU's strategic plan and objectives. He discussed the 5 major goals and the obstacles associated with them, the strategic objectives, the strategic road map for 2012-2014, and the 2012 activity plan. The five major goals include a Technology Road map, a Facility Plan, Succession Planning, Key Business Processes and the tracking of Key Performance Indicators which make up an OPU scorecard.

General Manager Fritsch distributed and discussed OPU's first scorecard to the Commission. He noted a company needs to set their strategic plan, their mission, vision and strategy and then they need key indicators to show they are on track. The indicators OPU has picked are financial, operational, employee, customer, and stewardship. Each indicator has a "champion" who is heading up the tracking & is ultimately responsible for the item. Director, Financial & Administrative Services Fondell discussed the financial area explaining the each of the three areas. Director, Engineering, Electric & Meter Services Johnson discussed the electrical operational area. Mr. Johnson also distributed and discussed outage graphs which show outage causes and the amount of minutes associated with each for both 2011 and 2012 to date. Director, Gas, Water & Generation Green discussed the water and natural gas operational area. Manager, HR, Safety, Risk & Loss Control Madson discussed the OSHA incidents section in the employee area. General Manager Fritsch discussed the innovation area stating this is where employees come up with new ways of saving money, new processes, or new initiatives. Manager, Energy Management & External Relations Warehime discussed the customer and stewardship areas.

Director, Financial & Administrative Services Fondell reported the auditors will be in-house April 9th.

Director, Engineering, Electric & Meter Services Johnson noted we are still waiting on FEMA for approval of our alternate project.

Manager, HR, Safety, Risk & Loss Control Madson reported and explained work she is doing on a contractor safety program. This will cover contractors working for OPU to ensure they follow all safety rules OPU has and so they are aware of any hazards associated with the job they are to perform. OPU's program will be tailored off of Xcel Energy's contractor safety program. Mr. Fritsch added this program will help insulate us from the liability side of having contractors on site and will help to keep accidents down.

Manager, Energy Management & External Relations Warehime noted OPower, the company who sends out our home energy reports, is launching a Facebook application that will allow people to compare their energy consumptions with others across the country. Mr. Warehime also distributed the 2011 rate comparison study to the Commission. The Commission will review and discuss at the next meeting.

Director, Gas, Water & Generation Green gave an update on the power plant cleanout. He noted, the team has been discussing how to document the history of the plant during the construction process. Mr. Green also gave an update on the power plant sign.

Commission Roundtable

Commissioner Stansberry – Really impressed on the meeting today and appreciate the scorecard idea, very informative meeting.

Commissioner Simon – Nothing.

Commissioner Schreiner – Felt it was a great meeting. Reminded the Commissioners to get their dates to Marge when they are available for the GM review.

Commissioner Ihrke – Nothing.

Audience Comments

Mayor Tom Kuntz reported Commissioner Stansberry has agreed to another term on the OPU Commission. Mayor Kuntz thanked the Commission for allowing him to represent Owatonna at the APPA Legislative Rally and gave an update of the meeting.

Adjournment

There being nothing 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 5:08 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant