

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Simon, Schreiner, Stansberry, Cosens and Kottke. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Customer Service, Generation & Substations Green; Director, Engineering Johnson; Director, Operations, Energy Management & External Relations Warehime; Supervisor, Substations & Generation Deering; Executive/HR Assistant Schmoll; and Marketing/Energy Conservation Manager Jared Hendricks. Other guests included Jennifer Libby, Owatonna Area Chamber of Commerce and Tourism President/CEO; Troy Klecker, City of Owatonna Community Development Director; and Roger Wacek, customer.

Commissioner Cosens led the Pledge of Allegiance.

Minutes

The Minutes from the rescheduled meeting of April 1, 2014 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes. Commissioner Cosens seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Cosens reported the Committee met, reviewed and approved Vouchers in the amount of \$7,395,726.00. He further reported the Committee received a report from Director, Financial & Administrative Services Fondell on changes to the work order process in regards to accounting for them, and the process involved with closing them.

Personnel Committee – Commissioner Schreiner reported the Committee met and received an updated staffing report including open positions. He noted staff is recommending changing the position of Supervisor, Information Technologies to Manager, Information Technologies. In the past the position was a manager instead of a supervisor and due to market analysis it is requested to move that position back to a manager. Commission agreed.

City Administrator's Report

City Administrator Busse updated the Commission on economic development additions and expansions happening throughout the community.

Corridor Beautification Project Presentation

General Manager Fritsch reminded the Commission \$100,000 was budgeted for each of the next five years for the Corridor Beautification Project being requested by the Owatonna Partners for Economic Development (OPED) group. At the time of the budget approval, it was the Commission's desire to have more information regarding the project before approving the work order for it. Mr. Fritsch noted this year's project will focus on the South Cedar Area from the cemetery to the veterinarian office and will cost about \$120,000. The purpose of the project is to bury overhead lines for aesthetic reasons which will offer more curb appeal and support the efforts of the City and the OPED group to achieve strategic objectives for economic development. In conversations with different developers it was noted if the lines were buried, more builders would be interested in the area. Burying overhead lines would also alleviate a long outage in the cause of a bad storm such as a tornado and the underground equipment has a 40 year potential life expectancy. However, if there is an outage, the outage takes longer to fix due to having to locate the fault, etc. All Commissioners had several questions and Commissioner Schreiner voiced his reservations. Mr. Klecker noted, the businesses who are looking at building or expanding in Owatonna do not say they would not build here if this is not

done, however, these are things they would like to see. Currently Owatonna has a reputation for being "business friendly" and willing to work with businesses. We would like to try to maintain that reputation. After discussion, Commissioner Cosens moved to approve the Corridor Beautification Project for approximately \$120,000 from the cemetery to the veterinarian office. Four Commissioners voted Aye, one Commissioner voted Nay, the motion passed. Commissioner Simon concluded this will be a good pilot project to learn some of the pitfalls and problems that could possibly occur for future projects.

Mr. Klecker and Ms. Libby left the meeting.

Conflict of Interest Policy

General Manager Fritsch presented the Conflict of Interest policy and noted it has been updated and is less restrictive than the old policy and follows State guidelines. He further noted guidelines and procedures will be developed to accompany this policy. After discussion, Commissioner Stansberry moved to approve the updated policy. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of February 28, 2014 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the Scorecard.

General Manager/Staff Report

General Manager Fritsch updated the Commission on the Walnut St. one-way project, the purchasing of the house next to Harland's Tire for a parking lot and the power plant repurposing project. He offered a tour of the power plant to the Commission after the meeting.

Director, Financial & Administrative Services Fondell reported the Auditors finished their field work and will be finalizing their report in the next few weeks. The Audit presentation will be given at the June Commission meeting.

Commission Roundtable

Commissioner Kottke – Complimented staff on their proactive approach to regarding the high gas bills and the material that was prepared to answer the questions regarding the Purchased Gas Adjustment.

Commissioner Stansberry – Nothing.

Commissioner Schreiner – Nothing.

Commissioner Cosens – Echoed Commissioner Kottke's comments and added the recent presentations have shown forward and more deeper thinking that has been present in the past and demonstrates the quality of people in the leadership roles.

Commissioner Simon – Nothing.

Audience Comments

Customer Roger Wacek encouraged the Commission to view the DVD "Gasland" which discusses natural gas fracking and the potential water contamination and other hazards associated with it. He also complimented OPU on the Conserve and Save® rebate program.

Adjournment

There being no further business to come before the Commission, Commissioner Kottke moved to adjourn the meeting. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:04 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant