

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Zirngible, Rossi, Doyal, Johnson and Vetter. Also present were General Manager Warehime; Director, Finance and Administration Olson; Director, Engineering & Field Services Fenstermacher; Director, Information Technology & Metering, Baum; Manager, Facilities, & Gas/Water Operations Prokopec; Manager, Human Resources Madson; Supervisor, Customer Care Van Esch; Supervisor, Meter Services Johnson; Executive, Communications & Administration Coordinator Schmolli; Key Accounts & Energy Conservation Officer Hendricks; Accountant Lori Jerpbak; Accounting Specialist Shanda Meier and Customer Service Representative Megan Smith. Other guests included Al Kreutz and Roger Wacek.

President Zirngible opened the meeting by leading the Pledge of Allegiance. He then asked for approval of the agenda and the consent agenda items. The consent agenda items included the minutes from the June 27, 2023 meeting and the Contributed Service report as of June 30, 2023. Commissioner Doyal moved to approve the agenda and consent agenda. Commissioner Johnson seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and received a staffing report. He noted, the one remaining open position of Electric Design Project Coordinator has been offered and accepted by a candidate. The candidate will start in a couple weeks. The committee also received a safety update and discussed how well MMUA Safety Coordinator, Bernie Richards, is doing. Due to taking on additional duties, Director, Finance & Administration Olson's wages are being adjusted and the committee concluded with a discussion regarding Fair Safety Culture.

Finance Committee – Commissioner Doyal reported the Finance Committee met, reviewed, and approved vouchers totaling \$5,579,434.31. Seven work orders were closed in June and overall workorders are under budget. He concluded by discussing work order additions and one new work order for Vine Street parking lot lights.

City Administrator's Report

City Administrator Busse was not present to give a report.

Irrigation Water Rates Policy

General Manager Warehime introduced Supervisor, Meter Services Johnson and noted Mr. Johnson would be discussing a proposed new policy called Irrigation Water Rates. Mr. Johnson discussed the benefits of adding an irrigation rate and noted the new rate would apply to dedicated seasonal irrigation meters, only. Currently, customers can inactivate the meter to save monthly service fees. With this new rate, the monthly service charge is less and would require the meter to remain active year-round. Not having to inactivate the meter every winter and activate it again in the spring, eliminates potentials for errors and frees up time for the serviceworkers to perform other duties. After discussion, Commission Rossi moved to accept the Irrigation Water Rates policy, as presented. Commissioner Vetter seconded the motion. All Commissioners voting Aye, the motion passed.

Residential Time of Use Rate Pilot

General Manager Warehime noted Key Account & Energy Conservation Officer Hendricks will provide a presentation to the Commission regarding a residential time of use rate pilot program. Mr. Warehime noted, staff is not looking for approval at this meeting. A couple different options will be discussed and presented and

the plan is to come back to the Commission in August for approval. Key Account & Energy Conservation Officer Hendricks discussed rapidly changing electric markets and ways utilities are managing electric usage including traditional and evolving ways. He further discussed the proposed layout of the pilot program noting at this time, it will be limited to customers who allow OPU to install and AC load management disconnect, do not have solar generation and do not use electricity as their primary heat source. This pilot program will give OPU the ability to test rate structure and ensure there are not any billing issues; experiment with different market approaches; monitor changes in customer usage patterns and gain customer feedback and suggestions. The data from the program could also be beneficial in the next cost of service study.

Mr. Hendricks presented two different TOU rate options. The first option is a low off-peak option which requires higher on-peak and summer critical-peak rates. The second option is a transitional off-peak rate and has a more moderate on-peak and summer critical-peak rate. He noted the proposed effective date of the policy would be October 1, 2023 and would be available to employees and customers already interested in the rate. Once on the rate, customers would be required to participate for one year. The pilot program would be rolled out to other customers in Q1 of 2024. At this time, the transition to TOU rates is strictly voluntary. After discussion, the Commission directed staff to move forward with the low off-peak option.

General Manager Report

General Manager Warehime presented a draft of a new AMI scorecard. He discussed the things that will be tracked and displayed going forward.

Mr. Warehime concluded his report by discussing the hot weather and the potential for not enough generation for the whole MISO system. He will keep everyone informed as things progress.

Commission Roundtable

Commissioner Vetter inquired as to the status of working on the acoustics in the Morehouse room. General Manager Warehime noted it is planned for the 2024 budget, but could be brought forward quicker as an unbudgeted work order. Mr. Baum noted he has updated numbers and will bring an updated proposal to the August meeting regarding the microphone and speaker system.

Adjournment

There being no further business to come before the Commission, the meeting adjourned at 5:13 p.m.

Respectfully submitted,

Tammy Schmoll,
Executive, Communications & Administration Coordinator