

The Owatonna Public Utilities Commission met in rescheduled session in the Morehouse Room at the Owatonna Public Utilities. The meeting was rescheduled due to General Manager Fritsch attending the APGA National Conference. Present were Commissioners Kottke, Schreiner, Stansberry and Simon. Absent was Commissioner Cosens. Also present were General Manager Fritsch; City Administrator Busse; Director, Financial & Administrative Services Fondell; Director, Engineering Johnson; Director, Field Operations & External Relations Warehime; Manager, HR, Safety, Risk & Loss Control Madson; Executive/HR Assistant Schmoll; and OPU employees Jared Hendricks, Dave Wavrin and Kate Meixell.

Commissioner Simon led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of June 23, 2015 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 totaling \$4,252,076.09. He further reported the Committee approved one budgeted work order and discussed changes to how the purchased gas adjustment and the energy acquisition adjustment will be calculated.

Personnel Committee: Commissioner Stansberry reported the Personnel Committee met. The Committee discussed union negotiations, management compensation compression, and the tidbit included a discussion regarding past Open Houses.

City Administrator Report

City Administrator Busse thanked the Commission for attending the joint meeting with the City Council, School Board and County Commissioners. She further reported the City is in full budgeting mode and discussed a few of the current street projects.

Energy Management Program Credits Policy **Electric Rate Policies**

The Energy Management Program Credits policy, Policy #601.60 was presented to the Commission. General Manager Fritsch noted the policy has been changed in regards to the eligibility of residential & commercial customers to receive the Load Management credit. The policy now states the major air conditioning load must be the one that is load controlled in order to receive the credit. General Manager Fritsch further noted the residential and commercial electric rate policies, Policies 501.81 and 501.82 respectively, have been changed to include reference to the new eligibility wording of Policy 601.60. After discussion, Commissioner Stansberry moved to approve the Energy Management Program Credits policy, as well as the Residential & Commercial Electric Rate policies as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of June 30, 2015 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the June scorecard. One notable change included an OSHA recordable incident that was included in the May scorecard. It was determined the incident was not an OSHA recordable incident so it has been removed from the scorecard. OPU is at 265 days in 2015 without an OSHA recordable incident and almost 700 days without a work related incident.

General Manager/Staff Report

General Manager Fritsch introduced Dave Wavrin and Kate Meixell of the Engineering Department. Their presentation to the Commission discussed the status of OPU's Geographic Information System (GIS) and where it is heading in the future. They noted the project began over 4 years ago with the natural gas system. The water system has been completed and they are currently working on completing the electric system.

General Manager Fritsch updated the Commission on SMMPA's solar project that may be located in Owatonna and the status of the Alliant Service Territory being turned over to other co-ops.

General Manager Fritsch reported OPU received a check from FEMA for \$4 million for work completed in conjunction with the power plant re-purposing. We anticipate another \$1.3 million will also be coming.

General Manager Fritsch further updated the Commission on the SMMPA Board of Directors meeting and the APGA National Conference he attended. He noted the natural gas prices should stay fairly low over the next few years and more pipelines are anticipated to be approved.

Director, Financial & Administrative Services Fondell reported the budget process will be launched in August.

Director, Field Operations & External Relations Warehime discussed fluoride requirements and made reference to the August newsletter article. He noted Federal Department of Health and Human Services are changing the recommended amount of optimal fluoride in drinking water due to the increased access of American's to other sources of fluoride such as toothpaste and mouthwash. Mr. Warehime noted the Minnesota Department of Health has not made a rule change on it yet, however they have set up a process whereby water systems can apply for a variance. OPU has applied for and been granted the variance. Staff is asking for and recommending approval to begin the process of reducing the fluoride levels in Owatonna's water supply. The reduction will result in approximately \$10,000 a year savings. Staff will be seeking approval at the next Commission meeting.

Commission Roundtable

Commissioner Kottke congratulated staff on receiving the FEMA check, noting his appreciation for everyone's hard work and expressed his appreciation for the invitation to the joint meeting.

Adjournment

There being no 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 4:49 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant